

## CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

### Policy Session Worksheet

Presentation Date: February 25, 2020                      Time: 3:00pm                      Length: 30 min.

Presentation Title: Columbia Distributing Rural Strategic Investment Zone Standardized Agreement

Department: Business and Community Services – Economic Development Division

Presenters: Cindy Moore, Economic Development Coordinator, Business & Community Services  
Lynn Longfellow, Appraisal Manager, Assessment & Taxation

Other Invitees: Laura Zentner, Director, Business and Community Services  
Sarah Eckman, Deputy Director, Business & Community Services  
Andrew Naylor, County Counsel  
Jamie Stickel, Economic Development Director, City of Canby

#### **WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Authorize the Columbia Distributing Rural Strategic Investment Zone Standardized Agreement to move forward for County signature at an upcoming Business Meeting.

#### **EXECUTIVE SUMMARY:**

In August of 2010, the Board of County Commissioners along with City leaders from Canby, Sandy, Estacada, Molalla and portions of Happy Valley established the Rural Strategic Investment Zone (RSIZ). Traded sector businesses investing over \$25 million in new facilities or equipment are eligible for the program. Businesses who qualify will not pay property taxes on new plant and equipment investments over \$25 million for 15 years. Traded sector refers to businesses that sell their goods or services into markets outside of the metro region.

Columbia Distributing is the first business in Clackamas County to apply for the RSIZ tax exemption. Their new 530,000sqft facility in Canby will bring an investment of over \$65,000,000 and at full build out, will bring 300 jobs to the community.

Columbia Distributing submitted their RSIZ application to Business Oregon on July 2, 2019. The exemption will likely only include activities that occurred after July 2, 2019, though that determination is made by the State of Oregon.

To facilitate the RSIZ, there is a Standardized Agreement between the City of Canby, Clackamas County and Columbia Distributing. The purpose is to define the rights, responsibilities, and obligations of the parties if the exemption is granted.

While the company will receive the exemption, they are required to pay a Community Service fee. In addition The Department of Revenue and the County shall make income tax distributions in accordance with State statute. Clackamas County will collect the Community Service Fee and Revenue Share proceeds and any future revenue sources associated with the RSIZ annually. Funds will then be distributed upon a negotiated distribution schedule which will be determined within 90 days of the application approval by the Oregon Business Development Commission.

This agreement will be discussed by the Canby City Council at a work session on March 4, 2020.

Final approval of Columbia Distributing's RSIZ application will be facilitated through the Oregon Business Development Commission and they have the application on their agenda on April 10, 2020.

**FINANCIAL IMPLICATIONS:**

Is this item in your current budget?  YES  NO

What is the cost?  
See attached tax estimate.

What is the funding source?  
The RSIZ allows for a tax exemption for property with real market value in excess of the first \$25 million for the first 15 years. At the completion of the exemption, the property will be put back on the tax rolls.

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with your Department’s Strategic Business Plan goals?
  - Approval of this agreement aligns with the BCS strategic goal to *create living wage jobs* as the Rural Strategic Investment Zone was a key factor in Columbia Distributing’s decision to locate in Canby. As stated in their application, this will bring 300 jobs to Canby/Clackamas County at full build out.
  
- How does this item align with the County’s Performance Clackamas goals?
  - Approval of this agreement aligns with the County’s goal to *grow a vibrant economy*. This project will grow the economy by increasing the amount of dollars spent by the company and their employees in the local community. Part of the agreement includes a commitment by Columbia Distributing to notify the County of contracting opportunities so that information can be shared publically.

**LEGAL/POLICY REQUIREMENTS:**

County Counsel and the Assessor’s Office have reviewed and approved the Standardized Agreement.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

This agreement will be discussed by the Canby City Council at a work session on March 4, 2020.

**OPTION:**

1. Move the Standardized Agreement forward for final approval on the consent agenda at the Business meeting on March 5, 2020.
2. Take no further action on this topic at this time.

**RECOMMENDATIONS**

Staff respectfully requests that the Board of County Commissioners move forward with Option 1.

**ATTACHMENTS:**

1. Standardized Agreement
2. Columbia Distributing’s application to Business Oregon
3. Revised project description
4. Aerial photo of project site
5. Tax estimate
6. List of tax lots
7. First Source Hiring Agreement
8. First Source Contracting Agreement

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
 Department Director/Head Approval \_\_\_\_\_  
 County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact <u>Cindy Moore, Coordinator, BCS Economic Development Division,</u> @ x4328
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**CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE**

**AGREEMENT BETWEEN**

**CLACKAMAS COUNTY AND**

**THE CITY OF CANBY AND**

**COHO DISTRIBUTING LLC, dba COLUMBIA DISTRIBUTING**

**Date: FEBRUARY 6, 2020**

This is an agreement (the “Agreement”) by and between Clackamas County, a duly constituted governmental entity under the laws of the State of Oregon (the “County”) and the City of Canby, an Oregon municipality (the “City”), and Coho Distributing LLC, dba Columbia Distributing, (the “Company”). Its purpose is to define the rights, responsibilities, and obligations of the County, the City, and the Company in terms of the Clackamas County Strategic Investment Zone.

### **RECITALS**

- A. The County, the City, and the Company all agree that it is in their individual and mutual best interests for the Company to locate its business in Clackamas County.
- B. The County, the City, and the Company recognize that the Company is a capital intensive business as to which the elements of a strategic investment zone are especially important. Capital intensive businesses are especially attractive to the County and the City because these businesses invest in developing the skill levels of their employees, pay their employees higher wages, and contribute in other ways to the economic vitality of a region.
- C. Oregon law at ORS 285C.623 through 285C.639 and in rules established by the Oregon Business Development Department and the Oregon Department of Revenue sets out the establishment and operation of strategic investment zones. Key characteristics of strategic investment zones include:
  - 1. Businesses approved as a strategic investment zone project receive a partial property tax exemption under ORS 307.123 under the terms of which the business must pay full property taxes on the first \$25 million invested. The value of property in excess of that amount is exempt from taxation; however, this cap increases by 3% each year.
  - 2. Businesses approved as a strategic investment zone project must pay an annual Community Service Fee equal to the lesser of 25% of exempt taxes or \$500,000.00.
  - 3. Businesses approved as a strategic investment zone project must enter into a First Source Hiring Agreement, which promotes gainful work for persons already residing in the proximate area or region of the approved project.
  - 4. The Department of Revenue and the county shall make income tax distributions in accordance with ORS 285C. 635(3).

5. The term of the benefits of a strategic investment zone to a specific project is temporary, lasting no longer than 15 years.
- D. On August 19, 2010 the County approved co-sponsorship and operation of the Clackamas County Strategic Investment Zone.
- E. On August 4, 2010 the City approved co-sponsorship and operation of the Clackamas County Strategic Investment Zone.
- F. On August 19, 2010 the County and the City entered into an Intergovernmental Agreement in order to co-sponsor the establishment of the Clackamas County Strategic Investment Zone and set out their respective rights and obligations under its operation.
- G. The Company wishes to place its project (the "Project") within the Clackamas County Strategic Investment Zone, and has filed an application (the "Application"). A copy of the Application is attached as Exhibit "A".
  1. The Project is wholly located within the Clackamas County Strategic Investment Zone. The property is contiguous, and is not within an existing strategic investment zone. The Project is shown on the map in Exhibit "B" and described by a list of affected tax lot numbers in Exhibit "C".
  2. Under the terms of the Application, the Company has requested that the Company receive approval for the tax treatment of Projects within a strategic investment zone.
- H. The County, the City, and the Company have agreed to enter into this Standardized Agreement, which is a requirement of the County and City Intergovernmental Agreement and constitutes the local approval necessary for a strategic investment zone project.

NOW, THEREFORE, in consideration of the following mutual promises the County, the City, and the Company all agree as follows:

1. Limitations on Qualification of the Project for Exemption.
  - A. Only that portion of any property that the Business Development Commission has authorized as an eligible Project shall receive the tax exemption under ORS 307.123.
  - B. All other property not authorized for tax exemption according to Section 1 A above, including portions of the Project constructed prior to submission of an application for project determination to the Business Development Commission, shall be subject to the laws as to tax assessment and collection, without regard

to ORS 307.123. The parties expressly acknowledge and agree that certain construction work, including ground work and the pouring of a concrete slab, were performed prior to Company's submission of its project determination application. As such, the parties anticipate that the Business Development Commission will not consider those portions of the project eligible for tax exemption. The parties further acknowledge and agree that Business Development Commission will make the final decision as to what portions of the project are eligible for tax exemption under ORS 307.123.

2. Term.

This Agreement shall take effect on the date the Oregon Business Development Commission formally authorizes the Company's qualification as an eligible Project in a strategic investment zone. It shall continue for the fifteen tax years described in ORS 307.123.

3. The ORS 307.123 Tax Exemption for the Project.

- A. The Company's Application represents that the Project will have a total investment of \$68,277,098.00. The County, City, and the Company agree that the assessed value of the property associated with the Project shall be calculated according to ORS 307.123.
- B. The Project shall have its taxes calculated according to ORS 307.123 for fifteen tax years, commencing with the tax year the Company is first eligible for the calculation.
- C. Pursuant to OAR 123-623-1600(4)(d), the Project will not consist of any property formerly or currently exempt under ORS 285C.175 and the Company shall not acquire status as an authorized business firm for any investment at the same location in an enterprise zone.
- D. The Company shall provide timely information to the Oregon Business Development Department, County Assessor, and or the Department of Revenue as may be requested, required, or otherwise necessary under ORS 307.123 or other applicable laws, including but not limited to information as to the date when any taxable property is initially placed in service, occupied, used, or operated.

4. Obligations of the Company.

- A. The Company shall pay a Community Services Fee ("CSF") for community services support that relates to the direct impact of the eligible project on public services as set forth in this section and ORS 285C.623(4) and other applicable law.
  - 1) Amount. For each year the Company shall pay to the County a CSF as provided in ORS 285C.623(4)(b) an amount equal to 25% of the property taxes that would, but for the tax exemption, be due on the exempt property in each assessment year, but not exceeding \$500,000 in instances where the investment is in Rural SIZ #1 and \$2 million where the investment is in Urban SIZ #2, per eligible project in any year.

2) Due Date. On or before October 25 of each year, the County shall provide the Company with a statement describing CSF calculations and the amount due. The Company upon receiving such statement shall pay the amount due by November 15 of the same year. The CSF payment shall be made to:

Tax Collector  
Assessment and Taxation Department  
Clackamas County  
Development Services Building  
150 Beaver Creek Rd.  
Oregon City, OR 97045

3) Adjustments. If the assessed value of the Company is adjusted after November 15 of any tax year in such a manner that property taxes due from the Company are reduced, and the reduction reduces the CSF for that year, the County shall pay the amount of the reduction to the Company, together with interest at the rate established by law for tax refunds under ORS 311.505(2) from the date of payment of the CSF.

a. If the County does not pay the amount by November 10 of the following year, the Company may withhold the unpaid amount, plus interest as provided in this Section, from subsequent CSF payments due from the Company.

b. If the remaining CSF payments due from the Company are less than the amount owed by the County to the Company under this Section, the County shall pay the amount due to the Company not later than December 15 of the year following the year in which the reduction occurs. An appeal of the assessed value does not defer the CSF payment obligation set forth above. Any adjustments based on the outcome of the appeal shall be in accordance with this Section 4-A-3.

4) Late Payment of CSF. Failure to pay the CSF sum in full by the due date shall result in penalty and interest being charged on the past due balance in the amount of \_\_\_\_\_% per diem/annum.

5) Nonpayment of CSF. If the Company fails to pay the CSF by the end of the tax year in which it is due, the tax exemption shall be revoked and the property shall be fully taxable for the tax year following the tax year in which the fee remains unpaid. B. First Source Agreements.



1) The Company shall enter into a standardized First Source Hiring Agreement (“FSHA”), a copy of which is attached as Exhibit “D” to this Agreement. Its terms are incorporated by reference into this Agreement.

a. If the County designates a Publicly Funded Training Provider, the Company shall enter into a separate FSHA with the designated Publicly Funded Training Provider under substantially the same terms as set out in Exhibit D.

b. If there is a conflict between this Agreement and Exhibit D, this Agreement shall take precedence. If there is a conflict between Exhibit D and the Public Funded Training Provider First-Source Hiring Agreement, Exhibit D shall control.

2) The Company shall enter into a standardized First Source Contracting Agreement (“FSCA”), a copy of which is attached as Exhibit “E” to this Agreement. Its terms are incorporated by reference into this Agreement.

#### C. Reporting Obligations.

1) In addition to any other report or filing required by law the Company shall file with the Department of Revenue the information required by ORS 308.290 in the form of the annual industrial property return.

2) In addition to any other report or filing required by law the Company shall file with the Oregon Business Development Department and Clackamas County the annual participation report required by ORS 285C.615, along with any other information related to the terms of this Agreement that the County may require.

#### D. Payment of Property Taxes

The Company shall pay all property taxes owed on the Project on or before November 15<sup>th</sup> of the tax year in which they were assessed.

#### 5. Obligations of the County and City

The County and the City shall, by action of the respective Commission and Council, affirmatively endorse the Company’s proposed project if the Company submits a strategic investment zone application in accordance with Oregon statutes, rules, and the County and City strategic investment program.

6. Breach; Default; and Remedy.

A. The County and the City shall each designate a Strategic Investment Zone Manager with the duty to monitor compliance by the Company with the terms of this Agreement. The respective Strategic Investment Zone Managers are:

The County: Strategic Investment Zone Coordinator  
Business and Economic Development Department  
Development Services Building  
150 Beaver Creek Rd.  
Oregon City, OR 97045

For the City: Economic Development Director  
City of Canby  
222 NE 2<sup>nd</sup> Ave.  
Canby, OR 97013

Or such other individuals as the City and County may designate from time to time.

B. If either the County or the City has cause to believe that the Company has materially failed to comply with any term of this Agreement, or the FSHA, or the FSCA, and that such failure is not excused, the County and the City shall confer.

1) If, after such consultation and examination, the County continues to believe that the Company has materially failed to comply with one or more terms of this Agreement and the failure is not excused, the County shall notify the Company of this belief and the basis therefore.

2) The Company shall not be deemed to have failed to comply with this Agreement if the failure is caused by a force majeure, as provided under Section 6-I-3 below.

C. Any required notice shall be in writing and shall be sent to the Company at the following address:

Paul Meade, Chief Financial Officer  
Columbia Distributing  
6840 North Cutter Circle  
Portland, OR 97217

Notice sent by regular mail shall be treated as if received on the third day after mailing. Notice hand delivered, sent via electronic mail, or by facsimile transmission shall be treated as having been delivered at the time of transmission, or if the transmission occurred after normal business hours, the next business day, upon confirmation of transmission.

D. Upon receipt of the notice described in Section 5-B above, the Company shall have 45 days to respond in writing. The Company's written response shall be delivered to the County at the address of its Strategic Investment Zone Manager set out in Section 5-A above.

E. The Company's response shall include such supporting documentation as is related to the issues raised by the notice described in Section 5-B above.

1) The County shall have 45 days in which to review and consider the Company's response and to notify the Company in writing if the County believes the Company is not in compliance, and to state the basis for the County's belief.

2) If the County does not give the Company such written notice within 45 days, the matter shall be deemed closed.

F. If the County notifies the Company that the County continues to believe that a failure of performance by the Company has occurred, the matter shall be submitted to mediation in front of a mediator who is an attorney and mutually acceptable to all parties.

1) Such mediation shall take place within 90 days' of a party's receipt of the mediation request, in a neutral location mutually acceptable to all parties.

2) Each party shall be responsible for paying its own costs and expenses (including legal fees, if necessary) for the mediation and share equally the expenses of the mediator.

G. In the event that the mediation is unsuccessful, either party may initiate litigation to resolve the dispute. In the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any

term of this Agreement, each party shall be responsible for its own attorneys' fees and expenses.

H. Notwithstanding the foregoing, any dispute in which specific performance or injunctive relief is sought need not be submitted to mediation, but may instead be immediately brought by the aggrieved party to an appropriate court.

I. A breach shall be deemed to have occurred if:

- 1) The Company acknowledges that it has failed to comply with its obligations under this Agreement; or
- 2) A court of competent jurisdiction or an arbitrator, in a final judgment that is either nonappealable or whose appeal rights have lapsed, determines that the Company failed to comply with its obligations under this Agreement and the associated law.
- 3) The Company shall not be deemed to have failed to comply with this Agreement if the failure is caused by a force majeure.

a. Force majeure is defined as follows:

- 1) Acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; orders or restraints of any kind of the government of the United States of America or of the state wherein the County is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; volcanic eruption; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes, or canals; or any similar or different cause or event not reasonably within the control of the Company; and
- 2) Any substantial reduction in market demand for the products produced at the Project which makes it economically infeasible for the Company to operate the Project at a profit and in compliance with this Agreement.

b. To excuse the performance of any obligation of the Company due to force majeure, the Company must notify the County as soon as reasonably possible after the force majeure has occurred and

the Company has had an opportunity to determine the effect of the force majeure upon the Company's business and its obligations hereunder.

1) The notice shall state the nature of the occurrence, the anticipated effect of the occurrence on the Company's obligations, and when the Company will be able to resume compliance with this Agreement.

2) If the County, following consultation with the City, does not agree that the Company shall be excused from performance in the manner stated in the Company's notice, the County shall notify the Company within 90 days and the parties shall commence the dispute resolution procedures set out above.

#### J. Sanctions.

1) If the breach relates to a failure of the Company to pay the CSF or any other payment the Company is required to pay to the County under this Agreement or Oregon law, the County shall be entitled to the amount of the delinquency, plus interest in the amount set forth in Section 4 (A)(4), and in addition may recover the following penalties:

a. If the payment is made more than ten days after the payment is due and written demand has been made to the Company for payment, the County shall be entitled to receive a penalty of 10% of the delinquent amount.

b. If the payment is made more than 45 days after the payment is due and written demand has been made to the Company for payment, the County shall be entitled to receive a penalty of 100% of the delinquent amount.

c. If the Company fails to pay by the end of the tax year in which it is due, the tax exemption provided by ORS 307.123 shall be revoked and the property shall be fully taxable for the tax year following the tax year in which the fee remains unpaid.

2) If the breach relates to a failure of the Company to notify the County in accordance with the FSHA of the Company's hiring needs for job openings, the Company shall pay to the County an amount equal to twice

the average gross annual salary plus benefits for the median wage paid at the Project by the Company.

If the Company fails to act in good faith to meet its obligations under the FSHA, and the failure results in effective abandonment of the FSHA by the Company, the Company shall pay as an additional payment to the County 75% of the annual payment calculated according to ORS 307.123 for each year the abandonment continues. It shall not constitute an abandonment if the Company's failure is due to nonperformance by the County of its obligations under the FSHA.

3) If the breach relates to a failure of the Company to notify the County in accordance with the FSCA of the Company's contracting opportunities, the Company shall pay as an additional payment to the County an amount equal to twice the cost of the Project, including all overhead and profit.

If the Company fails to act in good faith to meet its obligations under the FSCA, and the failure results in effective abandonment of the FSCA by the Company, the Company shall pay as an additional payment to the County 75% of the annual payment calculated according to ORS 307.123 for each year the abandonment continues. It shall not constitute an abandonment if the Company's failure is due to nonperformance by the County of its obligations under the FSCA.

4) If the breach relates to a failure of the Company to meet its reporting requirements under this Agreement or related law, the Company shall pay to the County twice the amount necessary to have an auditor investigate and prepare any report.

5) Any funds collected under Section 6-J above shall be held in a segregated fund for the Shared Community Services fund set out in Exhibit C to the Clackamas County Strategic Investment Zone #1 Intergovernmental Agreement.

## 7. General Terms.

A. No discrimination: No persons shall be denied or subject to discrimination in receipt of the benefits of any services or activities made possible by or resulting from the Agreement on the grounds of sex, sexual orientation, gender identity, race, color, creed, marital status, age, national origin, mental health or physical handicap, disabled or Vietnam era veteran status (except where there are bona

fide occupational qualifications). Any violation of this provision shall be considered a material breach of the Agreement.

B. Public contracts: If applicable, the requirements of the Oregon Revised Statute Chapters 279A and B are incorporated herein by reference. This provision is intended to incorporate only those provisions which are required for all public contracts. The parties acknowledge that other portions of ORS Chapter 279 do not apply; that this Agreement is not one for a public improvement or public work; and the wages and other compensation paid by the Company to its employees are not subject to ORS Chapters 279A and 279B.

C. Governing law: This Agreement shall be governed by the law of the State of Oregon. Any actions or suits commenced in connection with this Agreement shall be in the Clackamas County Circuit Court or Federal District Court for Oregon.

D. Complete Agreement: This Agreement and its attached exhibits are the complete agreement between the parties and supersede all prior agreements or proposals, oral or written. No modifications to this Agreement will be binding on any party except as a written addendum signed by authorized agents of each party.

E. Waiver of Rights: All rights and remedies of each party shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of either party according to law.

F. ORS 307.123 Payments Not Property Taxes: The parties acknowledge that any payments required under this Agreement do not constitute property taxes and are not subject to the limits under Section 11b, Article XI of the Oregon Constitution.

G. Corporate Dissolution or Bankruptcy: In the event of a corporate dissolution or a bankruptcy proceeding under the Federal Bankruptcy Code, the full real market value of the Project shall be placed on the tax roll as taxable property.

H. Successors and Assigns: Each and every provision of the Agreement is binding on any and all successors in interest to the applicant by virtue of sale, lease, assignment, merger, or any other transfer of any interests in the applicant corporation to any other person or entity, whether voluntary or involuntary

I. Good Faith Tax Contests Permitted: Nothing in this Agreement shall be construed as:

- a. Preventing the Company from contesting in good faith any tax, assessment, fees or charges assessed against it by the taxing authority; or
- b. Granting rights to any employee of the Company.

J. No Third Party Beneficiaries: The obligations of the Company in this Agreement are for the benefit of the County and the City, and for the general benefit of their citizens. No individual or entity not a party to this Agreement shall be treated as a third party beneficiary of this Agreement.

K. Counterparts: This Agreement may be signed in counterparts; when each party has signed a counterpart all parties shall be bound by this Agreement.

L. Debt Limitation. This Agreement is expressly subject to the limitations of the Oregon Constitution and Oregon Tort Claims Act, and is contingent upon appropriation of funds. Any provisions herein that conflict with the above referenced laws are deemed inoperative to that extent.

CLACKAMAS COUNTY

CITY OF CANBY

\_\_\_\_\_  
 JIM BERNARD  
 Chair

\_\_\_\_\_  
 BRIAN HODSON  
 Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
 Recording Secretary

\_\_\_\_\_  
 Recorder

Reviewed for legal sufficiency  
 and form:

Reviewed for legal sufficiency  
 and form:

\_\_\_\_\_  
 Counsel

\_\_\_\_\_  
 Counsel



COHO DISTRIBUTING LLC, dba COLUMBIA DISTRIBUTING

\_\_\_\_\_

INSERT NAME OF OFFICER: \_\_\_\_\_

Date: \_\_\_\_\_

INSERT NOTARY BLOCK FOR OFFICER OR OFFICERS



**Strategic Investment Program (SIP)**  
 ORS 285C.600-285C.635 & 307.123

**Application for Project Determination  
 by Business Oregon Commission**

**DUE** before the purchase or lease of property or any on-site work begins that will comprise investments in the project.

**Applicant Business**

Coho Distributing LLC dba Columbia Distributing	6840 North Cutter Circle	
<b>Business Name</b>	<b>Mailing Address</b>	
Paul Meade	Chief Financial Officer	(503) 265-3099
<b>Contact Person</b>	<b>Title</b>	<b>Phone Number</b>
paul.meade@coldist.com	www.coldist.com	
<b>Email</b>	<b>Web page with company background, history and financials</b>	
Limited Liability Company	Oregon	Portland, Oregon
<b>Form of Organization (e.g., C-corporation)</b>	<b>US State of Incorporation</b>	<b>Headquarter Location</b>

**Proposed Investment (the project)**

<b>Location</b>	County(s) <u>Clackamas</u> and <u>-choose-</u>
Columbia Distributing Warehouse	Inside a city's corporate limits? <input checked="" type="radio"/> Yes <input type="radio"/> No
<b>Project/property name, as applicable</b>	urban growth boundary (UGB) containing a city of 40,000 or more in current population? (if yes, it is an urban project) <input checked="" type="radio"/> Yes <input type="radio"/> No
Canby Pioneer Industrial Park 2525 SE First Avenue, Canby Oregon	Indian reservation (if yes, tribal government assumes county role) <input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Street Address</b>	
Attached	
Assessor map, tax lot number(s), etc.	

**If located in a strategic investment zone (SIZ):**

Canby SIZ  
 Name of SIZ, if applicable

If using SIZ to receive SIP tax treatment, check here that standardized SIZ agreement and all other local approval documentation are included here.

**Estimated cost of each property type:**

Real estate (land and existing structures) to be acquired *	\$8,716,963.00
New construction/improvements	\$53,597,135.00
Reconstruction, remodeling of existing buildings & structures	\$0.00
Real property (heavy/affixed machinery & equipment)	\$5,963,000.00
Personal property (readily movable equipment, etc.)	\$0.00
<b>Total</b>	<b>\$68,277,098.00</b>

Check here—whether using an SIZ or not—that all eligible project property subject to SIP will be newly located inside the SIZ boundary.

**Check below that all eligible project property subject to SIP:**

- Will be newly acquired by the applicant business.
- Has not been part of any previously exempt SIP project.
- Has/will not receive Oregon enterprise zone-exemption.

**Anticipated time line—dates for:**

Construction or other project work to commence	<u>April 2019</u>
Project completion	<u>June 2020</u>
Start of business operations with new facility/property	<u>September 2020</u>

\*Not applicable if inside an SIZ.

Application for Project Determination by Business Oregon Commission

Project description

In the space below/attachment, provide a brief narrative regarding building and investment plans consistent with the information above, including but not necessarily limited to facility square footage, construction phases, or potential impacts of construction on public services. [X] information attached

See attached.

Local Approval Process (not applicable if using an SIZ)

Indicate that this application includes executed copies—or the status—of the following:

- Any special report, document, etc., prepared for or provided to local governments regarding project [X] Yes [ ] Unfinished [ ] N/A
Evidence of county public hearing (agenda, sign-in sheet, etc.) prior to executing local SIP agreement [X] Yes [ ] Pending
Executed local SIP agreement with county and any applicable city [ ] Yes [X] Pending
Official action by county commission/court approving project for SIP after executing agreement [ ] Yes [X] Pending

If any of the above items are still pending/unfinished, check the following to confirm for this project:

- [X] Evidence and information is included demonstrating that the local-county SIP application process has been initiated.
[X] It is hereby acknowledged that state approval for SIP must await full receipt by Business Oregon of the above items, and that even then, it cannot be guaranteed, so that if commencing construction or other project work in the meantime, the applicant hereby accepts the risk of not receiving local or state approval to receive SIP tax treatment on any such investment.

Existing Employment

Annual average number of full-time equivalent (FTE) employees—dividing total hours paid over the past 12 months by 2,080—who are subject to withholding taxes by your or any commonly controlled business, and that are located:

At the site, facility or operations, to which the proposed investment will be made 300.0 Anywhere throughout Oregon (estimate) 1,600.0

(NOTE: Also include in the above figures for "retained jobs" the employees of any general contractor that entirely operates any such facility for your business, if applicable, but not those of any other type of contractor, subcontractor, vendor or supplier)

Implications for existing operations or jobs with your or any commonly controlled business anywhere in Oregon:

Is there any probability that such jobs will be curtailed during the succeeding year? [ ] Yes [X] No

Is there any expectation that such operations elsewhere in the state may be transferred to the above site or facility to work with property comprising the proposed SIP project? [X] Yes [ ] No

Operations currently in Northeast and Northwest Portland are being consolidated into the new facility in Canby. All current employees will be offered the opportunity to relocate but it is anticipated less than half of the employees at these facilities will choose to do so. Additionally approximately 10 jobs currently run out of the Eugene operation will be transferred to Canby. All of these employees will be given the opportunity to relocate also.

Application for Project Determination by Business Oregon Commission

Business Operations with New Facility or Property

In the space below/attachment, describe these operations and goods or services to be produced, and the way in which they are engaged in markets for which national or international competition exists—that is, how do they relate to a traded-sector industry?

Information attached

Columbia Distributing is a multi-brand beverage distributor. Brands include national brands such as Coors, Pabst and 7 Up and international brands such as Heineken, Corona and Red Bull. Columbia Distributing's primary competition comes in the form of other beverages such as Anheuser-Busch Inbev (Budweiser), Coke and Pepsi. Columbia also distributes many other local, national and international beer, non-alc and wine brands throughout the State of Oregon.

Estimated Future Employment Pursuant to Proposed Investments

Table with 2 columns: Description of jobs and Average annual taxable income to be paid, per job. Values: 300.0 jobs, \$ 57,500.00 income.

In the space below/attachment, describe notable attributes of this workforce, such as major occupations, special training, use of local hires, or anticipated special demands on local public services (e.g., schools).

Information attached

There will be two primary occupations working out of this facility. The largest occupation is general warehouse work which consists of receiving product, putting away product and picking product. The other primary occupation working out of this facility are delivery drivers. Columbia offers an in-house training program for those interested in obtaining their CDL. It is anticipated that over time the majority of the workforce will live within 15 miles of the warehouse.

General Enclosures for All Projects

Check below that this application includes all of the following as attachments or appendices, in addition to any applicable item above:

- Checklist of enclosures: Filing fee, hiring agreement (pending), map of project, company background, and economic analysis.

General Commitments for All Projects

Check each one below to affirm that you, the applicant business, will do each of the following:

- Checklist of commitments: Maximize hiring, timely notification, tax responsibility, annual reporting, and additional fees.

Declaration by Applicant

I hereby declare to have examined this application and all included documents. To the best of my knowledge, they are true, correct and complete in every material respect.

Signature of Paul Meade

Date: July 1, 2019

Printed name: Paul Meade

Title of authorized company representative: Chief Financial Officer

Submit signed original, non-refundable application fee and all items and information requested here, unless otherwise indicated, to: SIP Determination, Business Oregon, 775 Summer Street NE, Suite 200, Salem OR 97301

## **Project Description**

Headquartered in Oregon, Coho Distributing LLC, dba Columbia Distributing ("Columbia") has been distributing some of the best-known brands in the beverage business since 1935. Today Columbia Distributing services over 22,000 retail customers covering more than 172,000 square miles in Oregon, Washington and California. Columbia is one of the largest beverage distributors in the U.S. and the largest in the Pacific Northwest region. Columbia's beverage portfolio is made up of over 500 of the finest beverage brands, including craft, domestic and imported beers, wine & spirits and non-alcoholic products. Columbia's success is based on the deep-rooted tradition of delivering quality products, timely service and a genuine concern for customers' needs. This is achieved by providing ongoing, sustainable opportunities and growth for its employees, customers, suppliers, shareholders and communities.

Since Columbia's merger with Mt. Hood Beverage in 2008, Columbia's Portland Metropolitan operation have been conducted primarily out of two facilities located within the Portland City limits. The primary picking facility is located on Swan Island in NE Portland while the backstock facility is located in NW Portland. Since 2008 Columbia has been actively looking for a location to consolidate all operations into one facility.

In early 2019 Columbia reached an agreement with Trammell Crow Company to develop a 530,148 square foot facility in Canby (see bid narrative). Upon completion of the facility Canby East LLC will acquire the facility and Columbia Distributing will enter into a 15-year lease of the facility. The ownership of Canby East substantially reflects the ownership of Columbia Distributing.

Columbia expects to begin moving into the facility in late spring of 2020 and be fully operational by fall of 2020. At this time the facility will serve the entire Portland Metropolitan area along with Salem, a substantial portion of the Columbia Gorge and the Northern Oregon Coast. The facility will also serve as a hub for the Columbia branches located in Medford, Springfield, Bend and Pendleton.

Once fully operational Columbia expects to employ roughly 300 full time employees out of the facility. These employees will receive, pick and deliver in excess of 16 million cases of product per year.

Columbia Distributing prides itself on providing a living wage, outstanding benefits and an inclusive and desirable work environment to its 3,100+ employees whose families live in the communities in which they work.

January 3, 2019

**BRYAN BROWN**

City of Canby  
222 NE 2<sup>nd</sup> Ave. – PO Box 930  
Canby, OR 97013

*via email:* [brownb@canbyoregon.gov](mailto:brownb@canbyoregon.gov)

**Re: Supplement to DR Narrative**  
**Project: Project Shakespeare – DR 18-10**

Dear Bryan:

In follow up your recent email and our subsequent correspondence, the intent of this letter and the attached exhibits is to present supplemental information regarding concerns raised about the proposed orientation and spacing of the primary access drives for the Shakespeare project.

For clarification purposes, please find attached the following;

- EX1.0 - Updated Site Plan illustrating;
  - Proposed Drive locations along SE 1<sup>st</sup> Ave. with off-set dimensions and stationing
  - Existing Drive locations (primary & secondary) along SE 1<sup>st</sup> Ave. with off-set dimensions and stationing
  - Street cross-sections illustrating proposed improvements at S Walnut, SE 1<sup>st</sup> Ave & S Mulino (NOTE: Cross-sections at SE 1<sup>st</sup> Ave. & Mulino have not been updated to reflect the increased ROW per 12/20/2018 meeting)
- EX1.1 - Enlarged Partial Site Plan illustrating;
  - Drive locations
  - Aerial Photo with drive overlay
  - Photos of existing primary & secondary driveways along SE 1<sup>st</sup> Ave.

**OVERVIEW**

The subject property is located at the NE corner of the Canby Pioneer Industrial Park with frontage along S Walnut St. (west boundary), SE 1<sup>st</sup> Ave. (north boundary) and S Mulino Rd. (east boundary). SE 1<sup>st</sup> Ave. and S Mulino Rd. are currently under the jurisdiction of Clackamas County whereas S Walnut St. is within the City of Canby's jurisdiction. According to the current Canby Transportation System Plan (TSP) Figure 7-1, S Mulino is classified as a 'collector' whereas SE 1<sup>st</sup> Ave. and S Walnut are classified as 'local' streets.

The single family residential properties to the north of SE 1<sup>st</sup> Ave. are within Clackamas County and Clackamas County TSP designates SE 1<sup>st</sup> Ave. as a 'collector' street. Recent planning efforts by the City of Canby have indicated that a future functional class modification to collector may be appropriate for SE 1<sup>st</sup> Ave. to accommodate the future transportation system.

Site topography on the proposed development property slopes from east to west with approximately 30ft of grade change from S Mulino St. to S Walnut St. A cell tower fronting S Walnut St. is also located at the central west side of the property. The orientation of the proposed building has been designed to allow for a secured truck court with loading on both the east and west sides of the building with employee parking occurring along the SE 1<sup>st</sup> Ave. frontage. The siting of the building has been designed to accommodate phased expansions to the South and the potential for redevelopment to accommodate bulk distribution use. Site access includes 3 entrances off SE 1<sup>st</sup> Ave. with the primary truck entrance located approximately 158ft east of Walnut and the two auto drives spaced 203ft and 286ft east of the respective drives.

A detailed traffic impact analysis for the proposed development was completed by DKS Associates and is provided with the Design Review submittal package. The study included an extensive review of the existing conditions surrounding the property, an impact analysis for the proposed development with detailed site plan evaluation and associated mitigation recommendations. The fully developed site (740,000sf with maximized potential of expansion) is anticipated to generate 81 vehicle trips during the AM peak hour and approximately 89 vehicle trips during the PM peak hour.

## **DEVELOPMENT STANDARDS & GUIDELINES**

The site design and development standards for the subject property are outlined in the City of Canby Municipal code. Applicable Roadway and Street design standards are outlined in the City's TSP (Transportation System Plan), Canby Public Works Standards and the Clackamas County Roadway Standards.

Applicable sections to the access management for the proposed development include;

- Ch. 16.35 – Canby Industrial Area Overlay (I-O) zone
- Ch. 16.46 – Access Limitations on Project Density
- Ch. 7 – City of Canby TSP
- Ch. 2 – City of Canby Public Works Standards
- Section 220 – Clackamas County Roadway Design Standards

## **ACCESS CONFIGURATION**

The aforementioned standards recommend locating site access points via lower classified roadways if feasible. Unfortunately, given the site design criterion and the topographic constraints of the property, coordinating the primary access points to serve the property from S. Walnut street will not be practical due to the following;

- Safe & Secured Truck Access & Yard
  - Truck Access needs to be located at the front (office) side of the building
  - Sufficient queuing needs to be provided to allow multiple trucks to stage at the secured access
  - Truck yard needs to be secured for public safety and product security
- Site Topography
  - Retaining walls along the east and west sides of the secured yard would require steeply sloped access drives which will not allow for practical access for large distribution traffic

- Storm drainage & retention systems occur along the west side of the secured yard to provide water quality treatment and retention
- Property dimension/configuration limitations
  - Building width, truck maneuvering / trailer staging and secured yard project criterion dictates the required property width
- Future expansion
  - Warehouse expansion would be encumbered if the truck access were located at Walnut
- Limited redevelopment potential
  - Access drives for emergency egress and future redevelopment of the site are proposed at the SE & SW corners of the property at S Mulino and S Walnut St.
  - The potential demising of the building to accommodate multiple tenants would be limited for distribution uses
- Cell tower encroachment limits access potential
- Cemetery encroachment into ROW limits safe truck access/maneuvering along S Walnut

### **ACCESS SPACING**

The referenced design standards outline access and roadway spacing guidelines with subtle ambiguities. The City of Canby Public Works standards (2.211.g), the City of Canby TSP (Table 7-2) and Section 16.46.030 (Table 16.46.30) of the City's Municipal code all specify 100ft as the requirement for spacing between driveways and roadways/driveways classified as 'collectors' whereas Section 16.35.050.F (Industrial-Overlay design standards) notes a minimum of 200ft spacing between 'designated parkways and collectors'. The Clackamas County Roadway Standards (Table 2-2) recommends a minimum 150ft spacing between intersecting roadways and 100ft between driveways along 'collector' classified roadways. The City's TSP currently classifies SE 1<sup>st</sup> Ave. as a 'local' street which allows for a 10ft driveway to driveway spacing.

The spacing of ALL proposed driveways along SE 1<sup>st</sup> Ave. meets the more restrictive County standards for both drive and roadway/intersection spacing (100ft between driveways and 150ft between intersecting roadways). However, the spacing of the primary truck drive to the Walnut street intersection does not meet the 200ft spacing outlined in the Industrial-Overlay design standard. The access management guidelines outlined in table 16.46.30 also note that the spacing standards should be measured from 'both sides of the street' which appears to be contrary to the respective County and City standards. The County Roadway Standards (220.3.b.1) states that *"the proximity of minor driveways (ADT < 400) are not a consideration of new public and private roadway intersection spacing unless a safety issue would result"*.

Several of the residents on the north side of SE 1<sup>st</sup> Ave. have more than one access drive. We have illustrated these primary and secondary drives on the attached site plans. The potential turning conflicts between existing and proposed driveways would be low with the limited residential ADT (average daily trips) and should not affect traffic safety along the corridor.

### **NUMBER OF ACCESS DRIVES**

To minimize potential conflicts between the trucks and autos entering the site, three separate driveways are proposed. The truck entrance is being designed with a 50ft wide drive and two entrance drive lanes



with approximately 340ft of queuing depth. This will allow trucks to safely enter and exit the site and minimize the potential for traffic conflicts. The two auto driveways will allow for improved dispersion of the employees during shift changeovers.

### SUMMARY

The proposed access management for the development meets the intent of the City and County standards by providing reasonable access and balancing the needs of ALL roadway users. The development will include significant improvements to the existing roadways which exceed the current jurisdictional standards. All frontage streets are being designed with bike lanes, sidewalks and street lights that will enhance the surrounding areas and provide for safe and efficient traffic circulation for the existing and future developments.

The development will incorporate the transportation mitigation measures recommended by the traffic impact analysis and complete the ROW improvements as required by the associated jurisdictions. Although both SE 1<sup>st</sup> Ave. and S Mulino are under the County's jurisdiction, the City of Canby is requesting an increase to the County's roadway cross-section standards. As such, the development will be burdened with an additional 7ft of ROW and half street improvements which will also improve safety along these traffic corridors.

Please review the attached drawings and call me should you have questions.



Sincerely,  
VLMK Engineering + Design

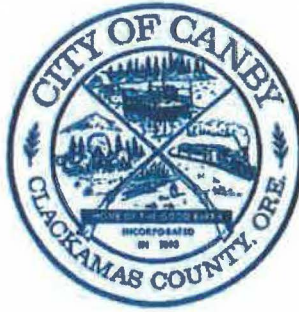
**GREG BLEFGEN, PE/SE**  
Sr. Principal

cc: Steve Sieber, Trammell Crow Development  
Garth Appanaitis, DKS

Attachments: EX1.0 & EX1.1 – Site Plan and Enlarged SE 1<sup>st</sup> Ave Street & Driveway Plan







# City of Canby

Planning and Building Department

**Sent Via Email**

Steve Sieber, [SSieber@trammellcrow.com](mailto:SSieber@trammellcrow.com)

Jennifer Kimura, [jenniferk@vlmk.com](mailto:jenniferk@vlmk.com)

**DATE:** January 29, 2019

**TO:** Steve Sieber, Trammell Crow  
Jennifer Kimura, VLMK

**RE:** Notice of Decision/Final Order for DR 18-10 PROJECT SHAKESPEARE

The Canby Planning Commission hereby provides notice that a decision to approve **DR 18-10 PROJECT SHAKESPEARE** has been rendered. The enclosed Findings, Conclusions and Final Order is your notice of the official action of the City of Canby Planning Commission.

According to Section 16.89.50 (I) of the Canby Municipal Code, this decision may be appealed to the City Council within ten (10) days of the date this notice was mailed. To do so, you must file an application for appeal with the Planning Director. If no appeal is taken within the specified period, and if no appeal is initiated by action of the City Council, the decision of the Planning Commission shall be final.

The application for appeal shall clearly state the nature of the decision being appealed and the reasons why the appellant is aggrieved. A \$1,920 fee must be enclosed with your appeal application.

If you have any further questions or concerns, please contact the Planning office at 503-266-7001.

Sincerely,

Bryan C. Brown  
Planning Director

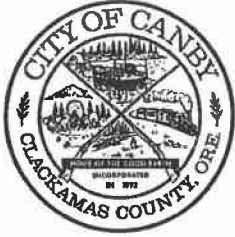
Attachment: Signed Final Findings

**CERTIFICATE OF MAILING**

This Notice of Decision was postmarked and placed in the mail and/or emailed on January 29, 2019 and sent to all parties with standing.

The appeal period will end on February 8, 2019

Bryan C. Brown, Planning Director



**BEFORE THE PLANNING COMMISSION  
OF THE CITY OF CANBY**

<b>A REQUEST FOR SITE AND DESIGN</b>	)	<b>FINDINGS, CONCLUSION &amp; FINAL ORDER</b>
<b>REVIEW AND CONDITIONAL USE</b>	)	<b>DR 18-10/CUP 18-07</b>
<b>PERMIT FOR SHAKESPEARE PROJECT</b>	)	<b>TRAMMELL CROW</b>
<b>SOUTHWEST CORNER</b>	)	
<b>SE 1<sup>ST</sup> AVE AND S. MULINO ROAD</b>	)	

**NATURE OF THE APPLICATION**

The Applicant has sought an approval for a Site and Design Review DR 18-10 and Conditional Use Permit CUP 18-07 Project Shakespeare to construct a warehouse building with a total of 531,148 square feet to provide work space and storage space for a distribution business on property addressed as 220 S. Walnut Street, 23397 and 23399 S. Mulino Road otherwise described as Tax Lots 31E3400100, 31E3402101, 31E3402100, 31E3402200, City of Canby, Clackamas County, Oregon. The property is zoned Light Industrial (M-1) and Canby Industrial Area Overlay (I-O) Zone under the Canby Municipal Code ("CMC").

**HEARINGS**

The Planning Commission considered application **DR 18-10/CUP 18-07 Project Shakespeare** after the duly noticed hearing on January 14, 2019 during which the Planning Commission by a 7/0 vote approved **DR 18-10/CUP 18-07 Project Shakespeare**. These findings are entered to document the specifics of the approval.

**CRITERIA AND STANDARDS**

In judging whether or not a Site and Design Review and Conditional Use Permit application shall be approved, the Planning Commission determines whether criteria from the Code are met, or can be met by observance of conditions, in accordance with Chapter 16.49.040 Site and Design Review, 16.50 Conditional Uses and other applicable code criteria and standards reviewed in the Staff Report prepared for and presented at the January 14, 2019 meeting of the Canby Planning Commission.

**FINDINGS AND REASONS**

The Staff Report was presented by staff with a recommendation for approval of the Site and Design Review and Conditional Use Permit applications (without benefit of the public hearing) along with Conditions of Approval in order to ensure that the proposed development will meet all required City of Canby Land Development and Planning Ordinance approval criteria.

After holding the public hearing where written and oral testimony was received from the applicant, other proponents, those who were neutral, and opponents in attendance; the Planning Commission closed the public hearing and moved into deliberation where they utilized the findings and conditions listed in the staff report along with the overall presentation record at the public hearing to make the

following findings beyond those contained in the staff report to arrive at their decision and support their recommended conditions of approval and the exact wording thereof:

- The planning director indicated at the hearing that it is clear that the majority of trucks from the Shakespeare project would utilize SE 1<sup>st</sup> Avenue to Hazel Dell Way to get to 99E until a more alternative industrial access road directly to 99E is constructed.
- This is a top priority for the City to accomplish to preserve the development potential of the Pioneer Industrial Park and would benefit and is desired to serve the Shakespeare project as well.
- S Walnut Street, a local industrial street adjacent to the west side of the project is proposed to be improved at least 20' + in width per the City's standard half-street plus standard to assure two vehicles can pass if necessary on the improved pavement.
- The Director voiced concern that improved industrial road infrastructure had not yet been adequately addressed off-site from the Shakespeare project for that section of SE 1<sup>st</sup> Avenue between S Walnut Street and Hazel Dell Way which has been identified to be the likely primary route for the majority of trucks to use to and from 99E. This section of the road, although now in the City and under the City's control, has never been improved from when it was a narrow county rural road built to serve sparse residential rural vehicle uses. Truck traffic from the proposed project will undoubtedly deteriorate this roadway in short order.
- The director concluded that adequate public street infrastructure was not currently fully in place nor had a plan been put in place to address this necessary off-site improvement. Two options were provided for consideration at the hearing – require a proportional improvement contribution from “the project developer” for improving the substandard roadway segment or restrict truck traffic to use Walnut Street until the segment of SE 1<sup>st</sup> Avenue from S Walnut Street to Hazel Dell Way is improved to adequately accept truck traffic. Upon questions from the Commission to the Director and discussion, it became clear that the restricting access until the necessary improvement is made was the best option due to uncertainty in setting the proportion of contribution by the applicant and ability of the City to construct a timely improvement.
- The Planning Commission choose to restrict truck access to use of Walnut Street until SE 1<sup>st</sup> Avenue is improved to adequately accept truck traffic. Condition #10 in these findings represent these additional findings and decision by the Planning Commission.

#### **CONCLUSION**

In summary, the Planning Commission adopted the findings contained in the Staff Report along with the modifications indicated above, concluded that the Site and Design Review and Conditional Use Permit application meets all applicable approval criteria, and recommended that **DR 18-10/CUP 18-07 Project Shakespeare** be approved with the Conditions of Approval stated below. The Planning Commission decision is reflected in the written Order below.

#### **ORDER**

The Planning Commission concludes that based on the record on file including testimony of the

applicant and public at the public hearing, that the application will meet the requirements for Site and Design Review and Conditional Use Permit approval. Therefore, **IT IS ORDERED BY THE PLANNING COMMISSION** of the City of Canby that **DR 18-10/CUP 18-07 Project Shakespeare** is approved, subject to the following conditions of approval:

**Conditions of Approval**

Staff concludes that, with conditions, the application will meet the requirements for site and design review and conditional use permit approval. The city will not approve the building permit until all applicable conditions of approval are either met or shown to be met on the final construction plans. Staff has concluded the following conditions of approval are appropriate to assure conformance with applicable review criterion:

**Conditions Unique to this Proposal**

1. The applicant shall file a sign permit for any future signs that shall be limited to the size and height standards applicable to the I-O (Canby Industrial Area Overlay Zone) as indicated in Section 16.42.050, Table 7, of the sign ordinance. Proposed signs, after been found to conform to the sign ordinance, must secure a building permit from Clackamas County Building Inspection prior to their installation.
2. **The project must be in conformance with the applicable findings and suggestions outlined by the City Engineer in his memorandum dated December 20, 2018.**

**Procedural Conditions**

**Prior to Issuance of a Building Permit the following must be completed:**

3. The design engineer shall submit to the City of Canby for review and approval at the time of final construction plan approval a storm drainage analysis and report applicable to the defined development area detailing how storm water disposal from both the building and the parking areas is being handled. Any drainage plan shall conform to an acceptable methodology for meeting adopted storm drainage design standards as indicated in the Public Works design standards.
4. A Sediment and Erosion Control Permit will be required from the City prior to commencing site work.
5. Prior to the issuance of a building permit, the installation of public or private utilities, or any other site work other than rough site grading, construction plans must be approved and signed by the City and all other utility/service providers. A Pre-Construction Conference with sign-off on all final construction plans is required. The design, location, and planned installation of all roadway improvements and utilities including but not limited to water, electric, sanitary sewer, lighting standards, natural gas, telephone, storm water, cable television, and emergency service provisions is subject to approval by the appropriate utility/service provider. The City of Canby's preconstruction process procedures shall be followed.
6. Construction plans shall be designed and stamped by a Professional Engineer registered in

the State of Oregon.

7. Clackamas County will provide structural, mechanical, grading, and review of Fire & Life Safety, Plumbing, and Electrical permits for this project.

**Prior to Occupancy of the Facility:**


8. Prior to occupancy of the facility, all landscaping plant material indicated on the submitted landscape plan shall either be installed and irrigated with a fully automatic design/build irrigation system as proposed, or with sufficient security (bonding, escrow, etc.) pursuant to the provisions of CMC 16.49.100 (B). The applicant should be aware that the City street tree fee is now \$250 per tree if planted by the City, and the City recommends submittal of a separate Street Tree Plan to assist in the location, species, and total tree count.
9. The applicant shall meet the recommendations of the TIA and as amended by staff as follows:
  - A) Provide a proportionate share (five percent) of the costs for the following off-site transportation improvement:
    - a) New traffic signal at the intersection of S Sequoia Parkway/Hazel Dell Way and associated required stripping improvement outlined by ODOT on Hwy 99E and S Sequoia Parkway.
  - B) Communicate truck route information to drivers, including awareness that they should avoid the following roadways in the vicinity of the project site:
    - a) S Haines Road between the project site and OR 99E to the north
    - b) S Bremer Road east of S Haines Road
    - c) S Mulino Road south of SE 1st Avenue/ S Haines Road
    - d) N Redwood Street north of OR 99E
    - e) Territorial Road as a route to Knights Bridge Road
    - f) Township Road west of Sequoia Parkway
    - g) SE 13<sup>th</sup> Avenue west of Sequoia Parkway
    - h) Access to or from Mulino Road shall be generally limited to extraordinary or emergency use until either (1) the alternative industrial access road to 99E from Mulino Road and/or Walnut Street is constructed and either a suitable roundabout or improvements at the intersection of SE 1<sup>st</sup> Avenue/Haines Road/Mulino Road to a collector standard is completed; or (2) S Haines Road has been brought up to County collector standards to 99E.
  - C) Ensure adequate site-access and circulation:
    - a) Site driveways shall be kept clear of visual obstructions (e.g., landscaping, signing, etc.) that could potentially limit sight distance for exiting drivers. This may require removal of existing vegetation to achieve adequate sight distance for the eastern driveway.



- b) Prior to occupancy, sight distance at any existing access points will need to be verified, documented, and stamped by a registered professional Civil or Traffic Engineer licensed in the State of Oregon.
  - D) The City concurs with the County that a left turn lane analysis to determine the need for a left turn lane on SE 1st Avenue will be required prior to approval of a County Development Permit.
  - E) The applicant's development standards with regard to access, street drainage, and improvements along SE 1st Avenue and S Mulino Road frontages shall conform to the recommended conditions of approval in the County memorandum dated Jan. 3, 2019, except where the City's industrial collector street cross section indicated in the 2010 TSP is more stringent in terms of ROW, paving and sidewalk widths. In addition, the applicant shall enter into a maintenance agreement for any water quality facilities located within the public right-of-way for streets under County control.
10. Trucks from the Shakespeare project shall be required to take S Walnut Street to Sequoia Parkway until the segment of SE First Ave from S Walnut Street to Hazel Dell Way is improved to adequately accept those trucks.

I CERTIFY THAT THIS ORDER for DR 18-10/CUP 18-07 PROJECT SHAKESPEARE which was presented to and APPROVED by the Planning Commission of the City of Canby. DATED this 14th day of January, 2019.

  
 John Savory  
 Planning Commission Chair

  
 Bryan Brown  
 Planning Director

  
 Laney Fouse/Attest  
 Recording Secretary

**ORAL DECISION: January 14, 2019**

Name	Aye	No	Abstain	Absent
John Savory	x			
Larry Boatright	x			
Derrick Mottern	x			
Andrey Chernishov	x			
J. Ryan Adams	x			
Jeff Mills	x			
Jennifer Trundy	x			

**WRITTEN DECISION: January 28, 2019**

Name	Aye	No	Abstain	Absent
John Savory	✓			
Larry Boatright	✓			
Derrick Mottern	✓			
Andrey Chernishov	✓			
J. Ryan Adams	✓			
Jeff Mills	✓			
Jennifer Trundy	✓			



**STRATEGIC INVESTMENT ZONE APPLICATION FORM**

Date: June 26, 2019

**APPLICANT INFORMATION**

Business Name: Coho Distributing LLC, dba Columbia Distributing

Applicant's Name + Title: Paul Meade, Chief Financial Officer

Mailing Address: 6840 North Cutter Circle  
Portland, OR 97217

Phone: 503-265-3099 Email: paul.meade@coldist.com

**PROPERTY INFORMATION**

Property Address: 2525 SE 1st Avenue, Canby, OR 97013

Name(s) of owners: Canby East Associates, LLC

**PROJECT INFORMATION**

Estimated timeline for project construction/occupancy/start-up operation:

See project timeline attached.

Estimated amount of investment (building and land):

Building and Land - \$62,314,098

Equipment - \$5,963,000

See budgets attached.

Number of Jobs:

Approximately 300 employees will be working out of the facility.

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PROJECT DESCRIPTION *(add attachments as necessary)*

See attachments:

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Project Description

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Bid Narrative

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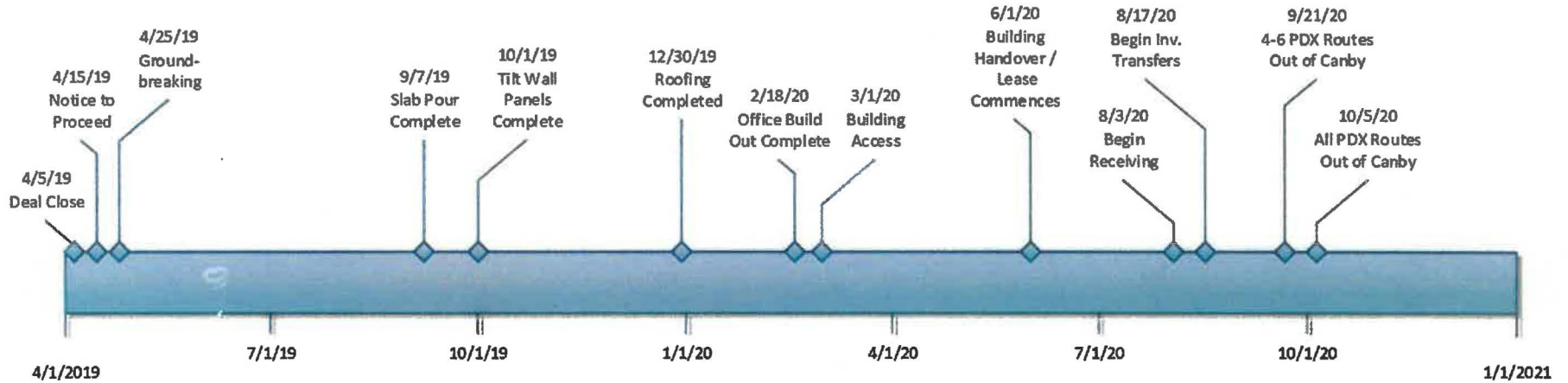
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**For more information, please contact:**

Jamie Stickel, *Economic Development Director*  
503.266.0701  
[StickelJ@CanbyOregon.gov](mailto:StickelJ@CanbyOregon.gov)

# Project Milestones



Year:	Date:	Milestone:
2019	✓ April 5 <sup>th</sup>	Deal Close
	✓ April 15 <sup>th</sup>	Notice to Proceed
	✓ April 25 <sup>th</sup>	Ground-Breaking
	October 1 <sup>st</sup>	Tilt Panel Wall Installation Complete
	December 30 <sup>th</sup>	Roofing Installation Complete
2020	February 18 <sup>th</sup>	Office Build-out Completed
	March 1 <sup>st</sup>	Building Access Granted
	March – May	Racking Installation
	March – July	IT, Office, & WH Infrastructure Fit-up
	June 1 <sup>st</sup>	Lease Commencement
	August 3 <sup>rd</sup>	Begin Receiving
	August 17 <sup>th</sup>	Begin Inventory Transfers
	September 21 <sup>st</sup>	4-6 Initial Routes out of Canby
	October 5 <sup>th</sup>	Full WH & Delivery Operations out of Canby

## Project Budget

	<b>Budget</b>
Land or Building Purchase	\$ 8,716,963
Off-site Improvements	560,000
Site & Building Shell	36,257,996
Tenant Improvement - Office TI Allowance	2,500,000
Tenant Improvement - Tenant Rep Services Allowance	765,950
Tenant Improvement - Tenant Change Allowance	1,000,000
Design, Engineering and Other Consultants	1,347,687
Legal	605,000
Insurance	131,031
Taxes	101,640
Testing & Inspection	318,800
Agency & Utility Fees (Permits & SDCs)	2,523,641
Bonds	20,000
Leasing Commissions	1,628,254
Development Fee	1,911,105
Finance Fees	475,750
Interest Expense	966,726
Development Contingency	2,483,555
<b>Total Building &amp; Land</b>	<b>\$ 62,314,098</b>

	<b>Budget</b>
Racking	\$ 3,841,000
Information Technology	1,233,000
Security Systems	727,000
Battery Charging	162,000
<b>Total Equipment</b>	<b>\$ 5,963,000</b>

## **Project Description**

Headquartered in Oregon, Columbia Distributing has been distributing some of the best-known brands in the beverage business since 1935. Today Columbia Distributing services over 22,000 retail customers covering more than 172,000 square miles in Oregon, Washington and California. Columbia is one of the largest beverage distributors in the U.S. and the largest in the Pacific Northwest region. Columbia's beverage portfolio is made up of over 500 of the finest beverage brands, including craft, domestic and imported beers, wine & spirits and non-alcoholic products. Columbia's success is based on the deep-rooted tradition of delivering quality products, timely service and a genuine concern for customers' needs. This is achieved by providing ongoing, sustainable opportunities and growth for its employees, customers, suppliers, shareholders and communities.

Since Columbia's merger with Mt. Hood Beverage in 2008, Columbia's Portland Metropolitan operation have been conducted primarily out of two facilities located within the Portland City limits. The primary picking facility is located on Swan Island in NE Portland while the backstock facility is located in NW Portland. Since 2008 Columbia has been actively looking for a location to consolidate all operations into one facility.

In early 2019 Columbia reached an agreement with Trammell Crow Company to develop a 530,148 square foot facility in Canby (see bid narrative). Upon completion of the facility Canby East LLC will acquire the facility and Columbia Distributing will enter into a 15-year lease of the facility. The ownership of Canby East substantially reflects the ownership of Columbia Distributing.

Columbia expects to begin moving into the facility in late spring of 2020 and be fully operational by fall of 2020. At this time the facility will serve the entire Portland Metropolitan area along with Salem, a substantial portion of the Columbia Gorge and the Northern Oregon Coast. The facility will also serve as a hub for the Columbia branches located in Medford, Springfield, Bend and Pendleton.

Once fully operational Columbia expects to employ roughly 300 full time employees out of the facility. These employees will receive, pick and deliver in excess of 16 million cases of product per year.

Columbia Distributing prides itself on providing a living wage, outstanding benefits and an inclusive and desirable work environment to its 3,100+ employees whose families live in the communities in which they work.



## BID NARRATIVE

Project:	Project Shakespeare
Site:	Address: 2525 SE 1st Ave, Canby OR Tax Lot: Tax Lots #100 (Zimmer Parcel) and #2100, #2101, and #2200 (Borg Parcels). Approximately 42.0 acres total
CrossStreets:	South Mulino Road at Southeast 1st Avenue
Proposal:	The project will develop approximately 36 acres for the construction of a new 530,148sq. ft. distribution warehouse with accommodations for a 2 phased future warehouse expansion. The developed site will include both auto and truck trailer parking, secured truck entry with loading docks on each side of the building.

### OVERVIEW:

This document will provide a general overview and brief narrative of the project to assist contractors in understanding the project scope. Please refer to the detailed instructions to bidders as prepared by Trammell Crow Company (TCC) for specifics on the schedule and outline for the RFP.

TCC will be developing the site to accommodate the proposed build to suite distribution facility. Off-site improvements will include half street improvements along the property frontages at S. Walnut St., SE 1<sup>st</sup>. Ave and S. Mulino Rd. Building construction consists of concrete tilt up perimeter walls with steel roof structure providing a minimum 36ft clear height and supported on a conventional foundation. The warehouse will include an approximate 53,000sf cooler with accommodations for a future 30,000sf expansion. The facility will have an approximate 16,648sf class A office with ancillary spaces on the site and within the warehouse as illustrated on the bid plans provided.

VLMK Engineering + Design has been retained by TCC as the engineer of record for the project. In this capacity, we are providing site planning, civil & structural engineering, design and general project coordination services for the site and building shell. LRS Architects is providing the space planning and interior design for the office, MKE is providing design-assist consulting services for the plumbing, mechanical & electrical systems and The Harrington Group is providing a base design for the fire protection & fire alarm systems. The cooler and refrigeration system will be bidder designed to meet the minimum general requirements outlined in this narrative and outline specifications as provided by Permacold Engineering.

GeoDesign has prepared Preliminary & Final Geotechnical reports for the project and a supplemental addendum to their report to address additional infiltration testing within the street ROW. The soils are moisture sensitive and will require stabilization with wet weather construction. Surcharging the building pad is not anticipated to be required.

### SITE CONDITION & JURISDICTION

The subject 42.0 acre property contains 4 separate parcels which will be consolidated into a single lot. The properties are currently occupied by at least 3 different residents which have all been in agriculture use for the last several decades. The cell tower located at the central west portion of the property will remain. Site topography slopes east to west with upwards of 28ft of grade change.



The property is located within the City of Canby's Pioneer Industrial Park. Site & Design Planning Review and the Walnut half street improvements will be reviewed by the City of Canby whereas the building permit and half street improvements along SE 1<sup>st</sup> Ave. and S. Mulino Rd. will be reviewed by Clackamas County. Canby Utility will serve the property with power, water and sanitary services with natural gas provided by NW Natural gas. The existing PGE services at Walnut will be replaced with underground services provided by Canby Utility whereas the PGE OH power poles and service lines along SE 1<sup>st</sup> Ave. will be relocated with new services provided to the associated residents.

#### BID NARRATIVE

The following will provide a generalized summary of the improvements associated with the site, building and off-site improvements;

#### 1. General Sitework

- a. Strippings and Excess Material – Contractor may place strippings on the undeveloped property to the south providing that the toe of the stockpiles are setback a minimum of 10ft from the property to the south, 100ft from the surrounding street frontages, placed in a neat and orderly manner with uniform side slopes with accommodations for surface drainage and exposed surfaces protected from erosion with BMP's as required by the local jurisdictions. Excess structural fill may also be placed in the undeveloped area providing that the underlying surface is stripped, compacted and fill is placed in a uniform manner in strict accordance with GeoDesign's recommendations. If structural fill material is required within the developed area, suitable fill material may be excavated from the undeveloped area providing that the borrow area is graded uniformly, compacted and rough seeded in accordance with VLMK's directives.
- b. Wet weather site protection – Contractor shall incorporate BMP's to ensure that the site is protected through wet weather conditions.
- c. Pavement Sections – Contractor shall assume that the pavement sections will include cement treatment of the subgrade.
- d. Allowances – Contractor shall outline all site work related allowances to include temp drainage, boulder allowances, etc....
- e. Site security – Contractor shall provide site security as appropriate to protect the site throughout the construction duration
- f. Site and Civil Plans – The plans attached with the bid package are approximately 90% complete and have not been reviewed by the jurisdictions. Additional items required but not illustrated or specified within these plans shall be incorporated into the bid as required and appropriate for the project.

#### 2. Site Demolition

- a. Existing structures, wells, UST/AST's & septic systems. – Contractor shall coordinate required testing of materials and remove/dispose of all debris off site in accordance with jurisdictional requirements. Trammell Crow has coordinated environmental reviews, soil management plan (SMP) and proposals for well abandonment, underground/above ground tank removal and septic system decommissioning. This information is included in Addendum No. 1.

#### 3. Street Improvements

- a. S. Walnut St. (City of Canby) – Half street improvements will be required along the entire frontage and will be limited to sidewalk, landscape plantings and driveway south of the cell tower with full half street improvements north of the tower. The full half street improvements will include paving, sidewalk, stormwater treatment/retention planter strip, landscape plantings and street lights with water, power, gas, phone and cable extending to SE 1<sup>st</sup>. Ave. The existing PGE power poles which serve a single 1.5 acre parcel south of the cemetery on the west side of Walnut will be removed and replaced with a new Canby PUD service. Contractor will need to coordinate directly with Canby PUD and include adequate scope for trenching, conduit/vault placement (to include power, street lighting, telephone, cable & natural gas), multiple trench backfills and coordination efforts with the associated utilities.
- b. SE 1<sup>st</sup> Ave. (Clackamas County) – Half street improvements will be required along the entire frontage and will include paving, sidewalk, stormwater treatment/retention planter strip, landscape plantings and street lights with phone and cable extending to the end of the property. The existing PGE power poles/service lines will be relocated within the new planter strip. These efforts will need to be coordinated directly with PGE. Contrary to the current plans a new 12” water line will be extended from Walnut St. along the length of the SE 1<sup>st</sup> St. improvement AND the street lighting will need to meet the City of Canby standards with service provided by Canby PUD. Contractor will need to coordinate directly with Canby PUD and include adequate scope for trenching, conduit/vault placement (to include power, street lighting, telephone, cable & natural gas), multiple trench backfills and coordination efforts with the associated utilities.
- c. S. Mulino Rd. (Clackamas County) – Half street improvements will be required along the entire frontage and will be limited to sidewalk, landscape plantings, stormwater treatment/retention planter strip and driveway.

#### 4. Foundations & Superstructure

- a. Slab & Foundations – Building foundations will consist of continuous reinforced concrete footings at the perimeter walls with isolated spread footings at the interior columns. An 8” reinforced concrete slab on grade will occur throughout the warehouse with vapor barrier provided at the office and cooler areas. A subsurface heating system at the cooler area will not be required.
- b. Roof Structure – The roof structure at the warehouse, office, side load & patio canopies will consist of metal decking supported by open-web steel joists and girders. The underside of the metal decking at the warehouse will be pre-primed with white paint. The roof structure at the cooler area will be designed with sufficient collateral load to support the suspended cooler system and associated refrigeration units (evaporative coolers & condensing units) from the roof structure.
- c. Roofing - The roofing at the warehouse and office will consist of a mechanically fastened 60mil TPO membrane overlying protection board and 2 layers of rigid insulation with minimum R-values of R20 and R30 respectively. The roofing over the side load and patio canopies will consist of a metal roof sheeting overlaying condensation insulation. Walking pads will extend from 2 roof hatches (located above the electrical room and office area) to provide access to all mechanical roof top units.
- d. Lateral Resisting System – The metal roof deck will transfer out of plane loads into the concrete tilt panels and interior BRBF's (Buckling Restrained Braced Frames) within the warehouse.

## 5. Exterior Walls & Finishes

- a. Refrigerated Storage Standards – Finishes and appurtenances throughout the warehouse will be required to meet minimum ASI Food Safety standards for refrigerated storage. At a minimum, this will include rodent strips/stripes around the building perimeter, patching of all interior panel pick points, and sealant installed at the interior floor and wall panel joints.
- b. Warehouse slab - The warehouse floor will have a hard steel trowel finish to achieve a minimum OAFF/OAFL = 50/35 respectively. Contractors shall protect the slab/joints throughout the construction duration, re-saw and fill all doweled control joints with epoxy, all other sawcut control joints with sealant and scrub/seal the floor with a densifier/hardener prior to turnover. Additional floor scrubbing will be required throughout the construction as noted in the general housekeeping specifications.
- c. Exterior Walls – Exterior walls will contain form liners and multiple reveals of varying sizes extending around the building perimeter. All exposed panel joints and edges at openings will be chamfered and/or tooled with surfaces patched, ground and voids filled to provide a smooth and uniform finish prior to paint. Panel joints at the interior concrete wall panels will be sealed and painted up to the underside of the roof structure. Paint scheme at the perimeter wall panels will include 3-4 complimenting body and accent colors
- d. Interior Columns – Interior columns and braces will be painted safety yellow/red in accordance with the specifications. The base of all building columns not located within the confines of the racking will be protected with 30" dia. X 4ft reinforced concrete surrounds anchored into the foundations and painted safety yellow.

## 6. Cooler

- a. Cooler System – The cooler system will be a design-build system as coordinated by the general contractor to provide a consistent 35deg +/- 1deg temperature setting. Condensing units will be roof mounted with fan-coils suspended from the roof structure via suspension through the ceiling panels. A ventilation system shall be designed above the ceiling panels to provide sufficient air movement below the roof structure. The minimum clear height of the cooler ceiling shall be maximized to provide a minimum 36ft clear height. Lights shall be held tight to the ceiling with fan coils aligned with the rack aisles to minimize impacts to the clear height.
- b. Insulated ceiling and wall panels – For budgeting purposes, insulated ceiling and wall panels shall meet the specifications of the Kingspan 300 Series Minor Rib panel system with 24ga finish at both interior and exterior faces. Ceiling and wall panels will be a minimum of 5" and 6" thickness respectively and supported from the bottom chords of every other roof joist with maximum spans of no more than 16ft oc. Seismic bracing of the panels shall consist of compression struts, seismic plates and aircraft cable bracing connected to the top chords of the roof joist and uniformly spaced to meet site specific seismic loading requirements.
- c. Ceiling penetrations – All penetrations through the cooler ceiling panels shall be properly sealed to minimize condensation potential. Threaded rods shall have thermal breaks with insulation wrap extending 24" above the ceiling and penetrations filled with insulating foam. Building column penetrations shall be wrapped with vapor tape and encased with insulated panels extending 4ft below and 1ft above the ceiling.



- a. Domestic Water – A 2” water meter set with 3” service line will extend domestic water into the fire riser/pump room.
- b. Fire Water – The Harrington Group has provided a base design system and outline specifications for the design-build fire protection and fire alarm systems. Refer to the plans and specifications for additional information.
- c. Sanitary – Sanitary service to the building will be extended from the existing lateral in Walnut street. The City will likely require a sampling vault prior to connection to the public line.
- d. Stormwater – All storm water run-off from the site will be retained on the property via 3 separate pods of drywells. The depth of the drywells will extend approximately 5ft into the dense gravel zone which is anticipated to occur at approximately 25ft at the pod on the east side of the building, 20ft at the pod north of the cell tower and 13ft at the pod on the south side of the cell tower. Roof run off will drain directly into the drywells whereas the run off from the paved surfaces will be treated with storm filter cartridges contained within a vault at the east truck yard and vegetated swales at the employee parking area along the backside of the future trailer parking at the west truck yard.

## 12. HVAC

- a. Design-Build – The mechanical systems will be design-build as coordinated by the general contractor with systems designed in accordance with the attached outline specifications as provided by MKE. See attached concept drawing and outline spec under separate cover.
- b. Warehouse – The warehouse will be heated for freeze protection only via gas fired space heaters with make up air provided with roof top fan units. Electric wall mounted heaters will be provided in the electrical room & warehouse bathrooms. A small unit heater will be provided at the fire pump/riser room and a ductless split system will be provided at the Will-Call area.
- c. Office – The office will be conditioned with gas fired packaged roof top units designed in accordance with the referenced outline specification. The IT server room will be conditioned with a dedicated unit.

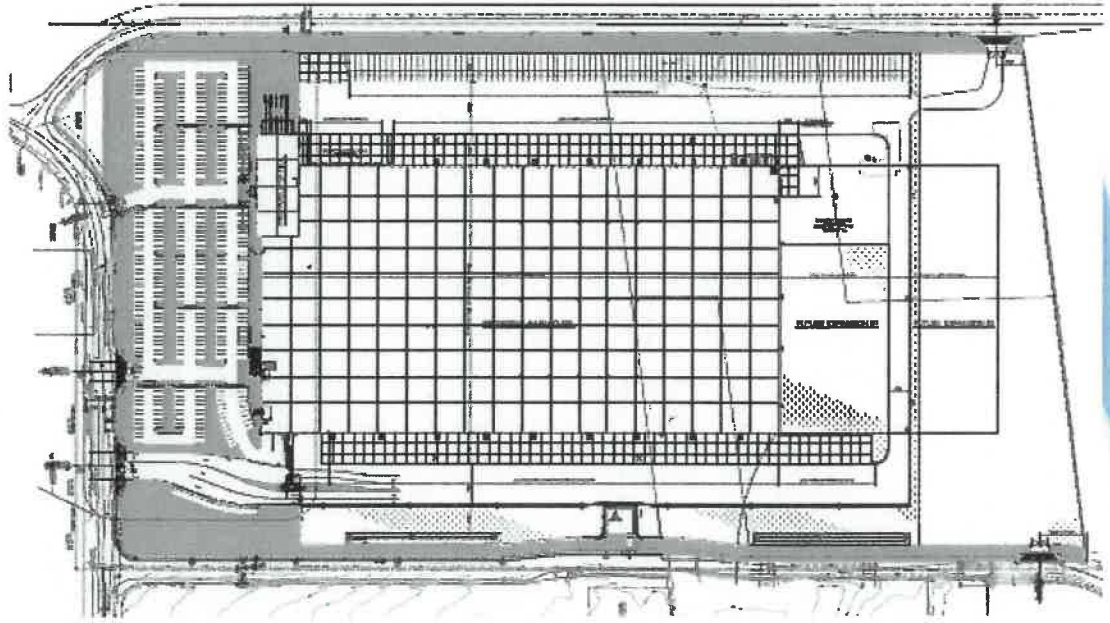
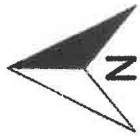
## 13. Fire Protection

- a. Design-Build – The fire protection systems will be design-build as coordinated by the general contractor with systems designed in accordance with the attached outline specifications as provided by The Harrington Group. See base design drawings and specifications.
- b. Warehouse – The warehouse will be protected with an ESFR system and pressurized with an electric motor driven fire pump. The pump will have back up power provided by the diesel fired emergency generator. Dry systems will be required at the cooler and exterior canopies (side load canopy at truck dock and patio canopy). The space above the cooler will be protected by conventional sprinkler heads via the ESFR system.
- c. Office – The office will be protected by a conventional fire protection system within the ceiling systems as proposed by the office interiors consultant. Refer to the general pricing notes as provided by LRS under separate attachment for specifics regarding the proposed ceiling systems.

## 14. Electrical

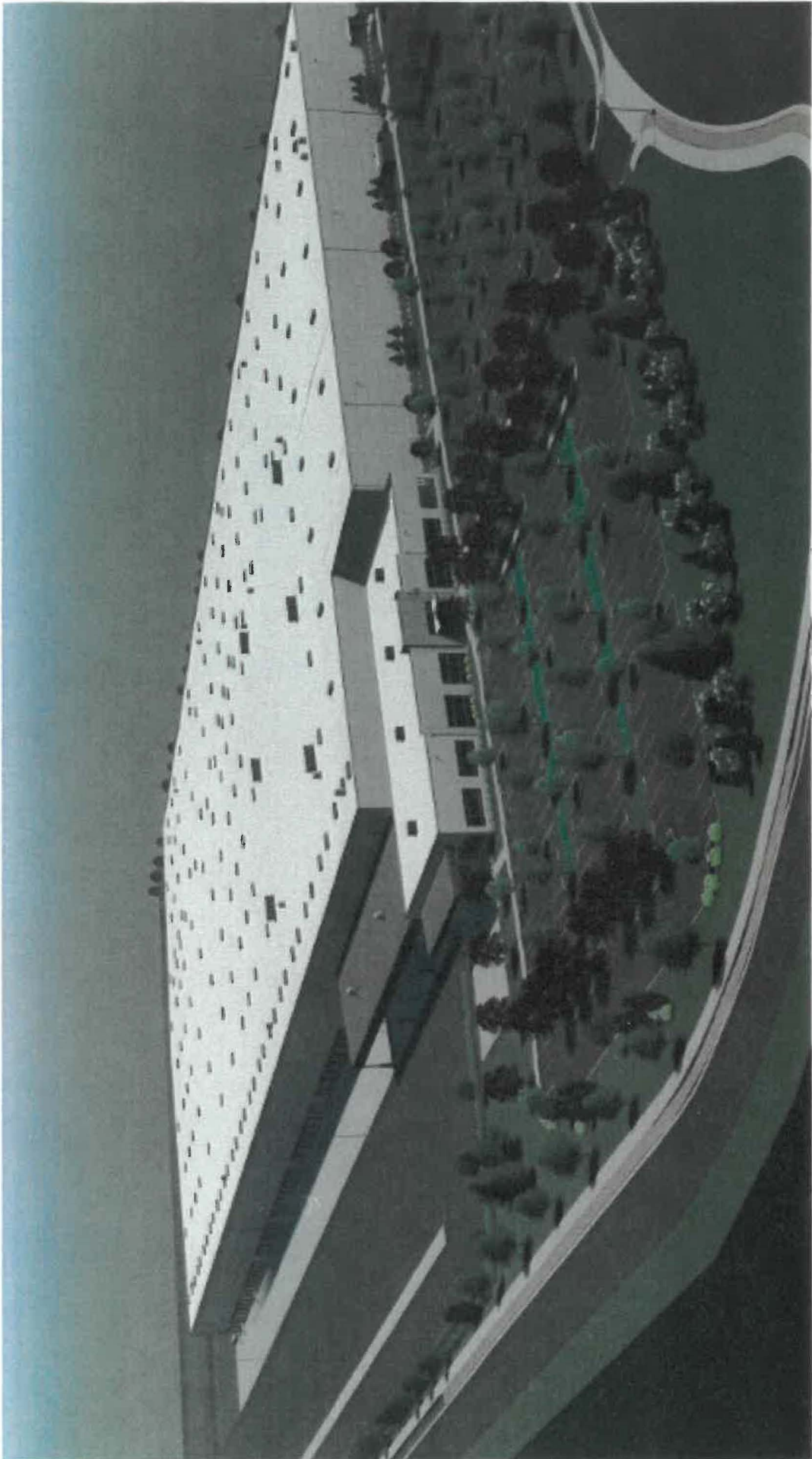
- a. *Design-Build* – The electrical systems will be design-build as coordinated by the general contractor with systems designed in accordance with the attached outline specifications as provided by MKE. See outline spec under separate cover.
- b. *Power* – Service to the building will be extended from the new Canby PUD service line extension within Walnut st. Power requirements to serve the initial phase of the development are anticipated to require a minimum of 3000A of 3phase 277/480V service. Contractor shall design the system to accommodate future expansions and shall provide all trenching and back fill for the service extension to include transformer vault, pad as well as the primary and secondary conduits.
- c. *Emergency Power* – Contractor shall design an emergency power system of sufficient size to operate all systems with the initial and future phases of the development with exception of the refrigeration system for the cooler as outlined in the specifications.
- d. *Lighting* – All lighting systems shall be LED and designed to achieve the minimum level of photometrics as noted in the outline spec and illustrated in the plan provided by MKE. Site and warehouse fixtures shall be the luminaires as specified on the MKE drawings.

# Project Description











## **Project Description (revised February 12, 2020)**

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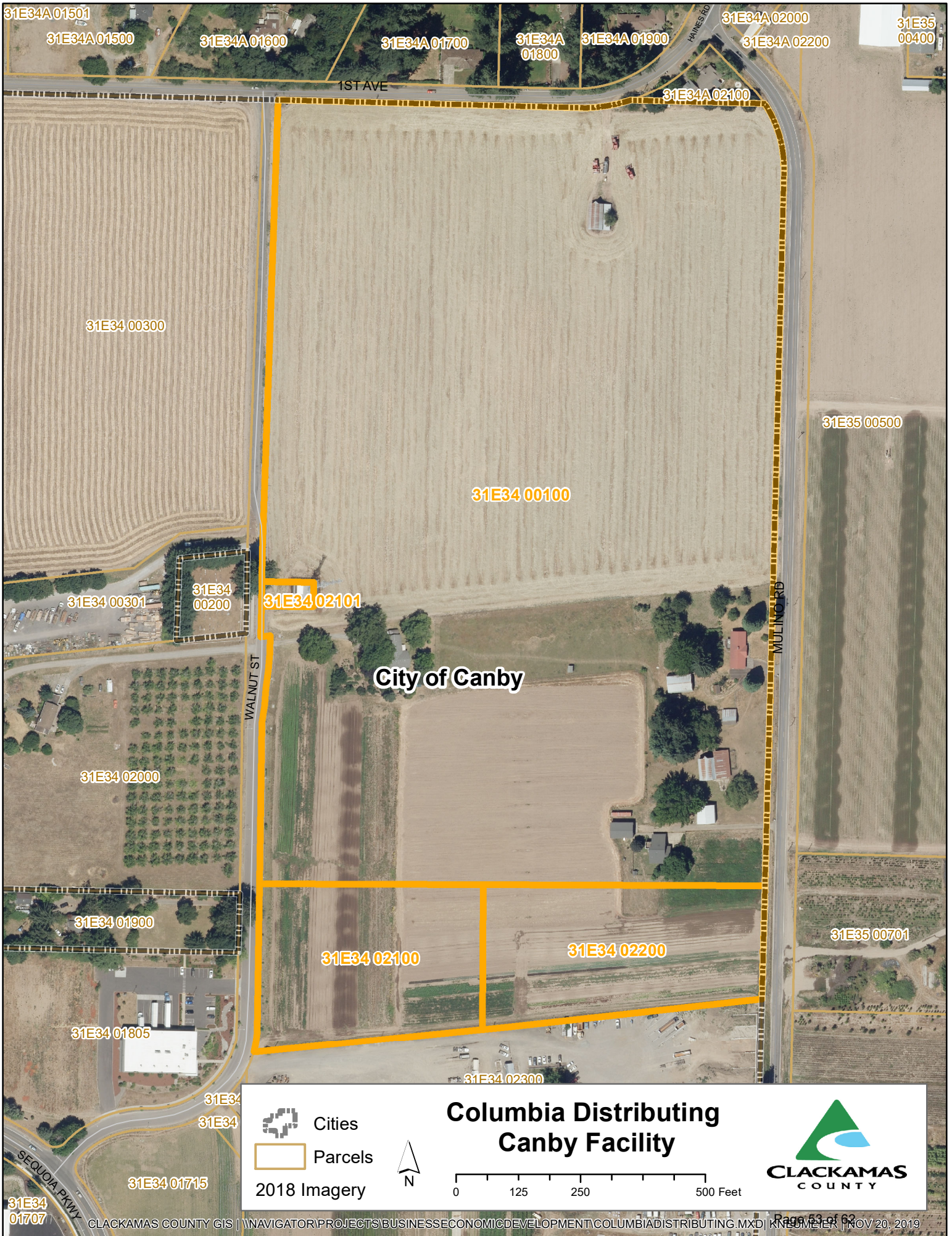
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As of the strategic investment zone (SIZ) application date, total cost for the project was anticipated to be \$68,277,098, consisting of \$8,716,963 in land, \$53,597,135 in new construction and \$5,963,000 in other real property, machinery & equipment, and personal property. Broken down further, the new construction costs consist primarily of design, permitting, development fee, site work, building shell

(foundation, walls, roof), refrigeration and other tenant improvements. The other real and personal property consists primarily of racking, cabling, furniture and other office improvements.

As of the July 2, 2019, the date of the SIZ application, the land had been purchased, design and permitting was largely complete, and work on the site and foundation had begun. It is anticipated that costs related to these activities will be excluded from the SIZ project. Costs related to activities begun subsequent to the application date, are anticipated to be included in the SIZ project. These activities and related costs generally consist of walls, roof, refrigeration, HVAC, electrical, racking and other material handling equipment, landscaping, cabling, security and other building improvements.



## Columbia Distributing Tax Savings Estimate

	RMV of Existing Land	Total RMV of New Project Improvements	Total RMV w/Existing Land	RMV Cap (w/annual 3% growth)	AV if No Exemption w/3% growth	AV of Taxable Project	Abated AV	2019 Tax Rate	What Taxes Would Be w/o Exemption	Taxes on Taxable Portion w/Exemption	Abated Tax	Estimated Community Service Fee (25% of Abated)
<b>2020</b>	\$8,413,178	\$57,111,610	\$65,524,788	\$25,000,000	\$43,555,154	\$21,802,615	\$21,752,539	17.0320	\$741,831	\$371,342	\$370,489	92,622
<b>2021</b>	\$8,665,573	\$58,245,903	\$66,911,476	\$25,750,000	\$44,861,809	\$22,456,693	\$22,405,115	17.0320	\$764,086	\$382,482	\$381,604	95,401
<b>2022</b>	\$8,925,541	\$59,457,779	\$68,383,320	\$26,522,500	\$46,207,663	\$23,130,394	\$23,077,269	17.0320	\$787,009	\$393,957	\$393,052	98,263
<b>2023</b>	\$9,193,307	\$60,746,073	\$69,939,380	\$27,318,175	\$47,593,893	\$23,824,306	\$23,769,587	17.0320	\$810,619	\$405,776	\$404,844	101,211
<b>2024</b>	\$9,469,106	\$62,109,880	\$71,578,986	\$28,137,720	\$49,021,710	\$24,539,035	\$24,482,674	17.0320	\$834,938	\$417,949	\$416,989	104,247
<b>2025</b>	\$9,753,179	\$63,548,539	\$73,301,718	\$28,981,852	\$50,492,361	\$25,275,206	\$25,217,155	17.0320	\$859,986	\$430,487	\$429,499	107,375
<b>2026</b>	\$10,045,775	\$65,061,618	\$75,107,393	\$29,851,307	\$52,007,132	\$26,033,463	\$25,973,669	17.0320	\$885,785	\$443,402	\$442,384	110,596
<b>2027</b>	\$10,347,148	\$66,648,896	\$76,996,043	\$30,746,847	\$53,567,346	\$26,814,466	\$26,752,879	17.0320	\$912,359	\$456,704	\$455,655	113,914
<b>2028</b>	\$10,657,562	\$68,310,349	\$78,967,911	\$31,669,252	\$55,174,366	\$27,618,900	\$27,555,466	17.0320	\$939,730	\$470,405	\$469,325	117,331
<b>2029</b>	\$10,977,289	\$70,046,141	\$81,023,430	\$32,619,330	\$56,829,597	\$28,447,467	\$28,382,130	17.0320	\$967,922	\$484,517	\$483,404	120,851
<b>2030</b>	\$11,306,608	\$71,856,611	\$83,163,219	\$33,597,909	\$58,534,485	\$29,300,891	\$29,233,594	17.0320	\$996,959	\$499,053	\$497,907	124,477
<b>2031</b>	\$11,645,806	\$73,742,264	\$85,388,070	\$34,605,847	\$60,290,520	\$30,179,918	\$30,110,601	17.0320	\$1,026,868	\$514,024	\$512,844	128,211
<b>2032</b>	\$11,995,180	\$75,703,762	\$87,698,942	\$35,644,022	\$62,099,235	\$31,085,316	\$31,013,919	17.0320	\$1,057,674	\$529,445	\$528,229	132,057
<b>2033</b>	\$12,355,036	\$77,741,917	\$90,096,952	\$36,713,343	\$63,962,212	\$32,017,875	\$31,944,337	17.0320	\$1,089,404	\$545,328	\$544,076	136,019
<b>2034</b>	\$12,725,687	\$79,857,682	\$92,583,369	\$37,814,743	\$65,881,079	\$32,978,411	\$32,902,667	17.0320	\$1,122,087	\$561,688	\$560,398	140,100
									<b>\$13,797,258</b>	<b>\$6,906,560</b>	<b>\$6,890,698</b>	<b>1,722,674</b>

**Assumptions:**

1. Project is 100% complete with the first year's value representing the 1st year in SIP.
2. An estimated trend for Canby industrial properties was used for the next 15 years. Land and Buildings are trended at the same rate.
3. New project improvements RMV are allocated as outlined by statute ORS 307.123 (1) land, (2) building & structures, (3) M&E, (4) BPP
4. Personal property depreciates at different rates depending on the asset. For the purposes of this example all office furniture and IT equipment were combined and given a 10 year depreciation schedule for simplicity. It's RMV equals it's depreciated value.
5. For simplicity, M&E is assumed to have a depreciation of 6% annually. It's RMV equals it's depreciated value.
6. Tax rate based on tax code area 086-002 and is estimated as 17.0320 for all years.
7. Land off-site improvement costs are excluded as they are not typically valued

**Columbia Distributing  
Abated Tax by District**

Abated Assessed Value	21,752,539	22,405,115	23,077,269	23,769,587	24,482,674	25,217,155	25,973,669	26,752,879	27,555,466	28,382,130	29,233,594	30,110,601	31,013,919	31,944,337	32,902,667						
Tax Code: 086-002	2019 Tax Rate	Estimated 2020 Abated Tax	Estimated 2021 Abated Tax	Estimated 2022 Abated Tax	Estimated 2023 Abated Tax	Estimated 2024 Abated Tax	Estimated 2025 Abated Tax	Estimated 2026 Abated Tax	Estimated 2027 Abated Tax	Estimated 2028 Abated Tax	Estimated 2029 Abated Tax	Estimated 2030 Abated Tax	Estimated 2031 Abated Tax	Estimated 2032 Abated Tax	Estimated 2033 Abated Tax	Estimated 2034 Abated Tax	Estimated Total Abated Tax	% of Total Rate	1 year - 2020 Estimated Community Service Fee if Uniformly Distributed		
COM COLLEGE CLACKAMAS	0.4750	10,332	10,642	10,962	11,291	11,629	11,978	12,337	12,708	13,089	13,482	13,886	14,303	14,732	15,174	15,629	192,172	2.79%	2,583		
ESD CLACKAMAS CO	0.3144	6,839	7,044	7,255	7,473	7,697	7,928	8,166	8,411	8,663	8,923	9,191	9,467	9,751	10,043	10,345	127,198	1.85%	1,710		
SCH 086 CANBY	3.9251	85,381	87,942	90,581	93,298	96,097	98,980	101,949	105,008	108,158	111,403	114,745	118,187	121,733	125,385	129,146	1,587,992	23.05%	21,345		
<b>Education Total</b>	<b>4.7145</b>																				
CITY CANBY	3.0023	65,308	67,267	69,285	71,363	73,504	75,709	77,981	80,320	82,730	85,212	87,768	90,401	93,113	95,906	98,784	1,214,651	17.63%	16,327		
CITY CANBY LOC OPT 2017	0.4900	10,659	10,979	11,308	11,647	11,997	12,356	12,727	13,109	13,502	13,907	14,324	14,754	15,197	15,653	16,122	198,241	2.88%	2,665		
COUNTY CLACK CITY	2.0681	44,986	46,336	47,726	49,158	50,633	52,152	53,716	55,328	56,987	58,697	60,458	62,272	64,140	66,064	68,046	836,699	12.14%	11,247		
COUNTY EXTENSION SVC	0.0427	929	957	985	1,015	1,045	1,077	1,109	1,142	1,177	1,212	1,248	1,286	1,324	1,364	1,405	17,275	0.25%	232		
COUNTY LIBRARY	0.3389	7,372	7,593	7,821	8,056	8,297	8,546	8,802	9,067	9,339	9,619	9,907	10,204	10,511	10,826	11,151	137,110	1.99%	1,843		
COUNTY PUBLIC SAFETY LOC OPT 201	0.2480	5,395	5,556	5,723	5,895	6,072	6,254	6,441	6,635	6,834	7,039	7,250	7,467	7,691	7,922	8,160	100,334	1.46%	1,349		
COUNTY SOILS CONS	0.0427	929	957	985	1,015	1,045	1,077	1,109	1,142	1,177	1,212	1,248	1,286	1,324	1,364	1,405	17,275	0.25%	232		
FIRE 062 CANBY	1.3257	28,837	29,702	30,594	31,511	32,457	33,430	34,433	35,466	36,530	37,626	38,755	39,918	41,115	42,349	43,619	536,343	7.78%	7,209		
FD62 CANBY LOC OPT 2016	0.4500	9,789	10,082	10,385	10,696	11,017	11,348	11,688	12,039	12,400	12,772	13,155	13,550	13,956	14,375	14,806	182,058	2.64%	2,447		
PORT OF PORTLAND	0.0599	1,303	1,342	1,382	1,424	1,467	1,511	1,556	1,602	1,651	1,700	1,751	1,804	1,858	1,913	1,971	24,234	0.35%	326		
REC CANBY AREA PARKS	0.0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0		
ROAD DIST 8 CAN	0.0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0		
URA CITY CANBY	2.2336	48,586	50,044	51,545	53,092	54,685	56,325	58,015	59,755	61,548	63,394	65,296	67,255	69,273	71,351	73,491	903,656	13.11%	12,147		
URA CLACKAMAS COUNTY	0.0103	224	231	238	245	252	260	268	276	284	292	301	310	319	329	339	4,167	0.06%	56		
VECTOR CONTROL CLACK CO	0.0056	122	125	129	133	137	141	145	150	154	159	164	169	174	179	184	2,266	0.03%	30		
Vector Control Local Option 2015	0.0250	544	560	577	594	612	630	649	669	689	710	731	753	775	799	823	10,114	0.15%	136		
<b>Gener Government Total</b>	<b>10.3428</b>																				
COM COLL CLACK BOND	0.1122	2,441	2,514	2,589	2,667	2,747	2,829	2,914	3,002	3,092	3,184	3,280	3,378	3,480	3,584	3,692	45,393	0.66%	610		
COM COLL CLACK BOND 2015	0.0374	814	838	863	889	916	943	971	1,001	1,031	1,061	1,093	1,126	1,160	1,195	1,231	15,131	0.22%	203		
COUNTY RADIO SYSTEM BOND 2017	0.0814	1,771	1,824	1,878	1,935	1,993	2,053	2,114	2,178	2,243	2,310	2,380	2,451	2,525	2,600	2,678	32,932	0.48%	443		
FD62 CANBY BOND 2019	0.2057	4,474	4,609	4,747	4,889	5,036	5,187	5,343	5,503	5,668	5,838	6,013	6,194	6,380	6,571	6,768	83,221	1.21%	1,119		
SCH CANBY BOND	1.5380	33,455	34,459	35,493	36,558	37,654	38,784	39,948	41,146	42,380	43,652	44,961	46,310	47,699	49,130	50,604	622,234	9.03%	8,364		
<b>Excluded from Limit Total</b>	<b>1.9747</b>																				
<b>Abated Tax:</b>	<b>17.0320</b>	<b>370,489</b>	<b>381,604</b>	<b>393,052</b>	<b>404,844</b>	<b>416,989</b>	<b>429,499</b>	<b>442,384</b>	<b>455,655</b>	<b>469,325</b>	<b>483,404</b>	<b>497,907</b>	<b>512,844</b>	<b>528,229</b>	<b>544,076</b>	<b>560,398</b>	<b>6,890,698</b>				
<b>Community Service Fee</b>	<b>25%</b>	<b>92,622</b>	<b>95,401</b>	<b>98,263</b>	<b>101,211</b>	<b>104,247</b>	<b>107,375</b>	<b>110,596</b>	<b>113,914</b>	<b>117,331</b>	<b>120,851</b>	<b>124,477</b>	<b>128,211</b>	<b>132,057</b>	<b>136,019</b>	<b>140,100</b>	<b>1,722,674</b>	<b>100.00%</b>	<b>92,622</b>		

This estimates uses the values and includes the same assumptions as the "Tax Savings Estimate" dated February 13, 2020

Map	Parcel No.
31E34 00100	00797828
31E34 002100	00798051
31E34 02101	00798060
31E34 02200	00798079



## Columbia Distributing - Canby Facility

MAP TAXLOT #	PARCEL #	SITUS ADDRESS	ASSESSED VALUE	ACRES
31E34 00100	797828	2525 SE 1ST AVE	4525883	36.32
31E34 02100	798051	2525 SE 1ST AVE	325043	3.25
31E34 02101	798060	202 S WALNUT ST	15508	0.12
31E34 02200	798079	2525 SE 1ST AVE	349359	3.23



**State of Oregon**  
**FIRST-SOURCE HIRING AGREEMENT**

**Clackamas County Rural Strategic Investment Zone**

This First Source Agreement for referral of qualified job applicants is entered into between WorkSource Oregon (Oregon Employment Department, (OED)), 7995 SW Mohawk Street, Tualatin, OR., 97062 hereinafter referred to as "OED," which coordinates job referrals for and represents the publicly funded job training fund administrator, for Clackamas County WIB (Workforce Investment Board) CLACKAMAS WORKFORCE PARTNERSHIP and their training providers for the area covered in the Interagency Agreement under OAR 123-070-12100, hereinafter referred to as "PROVIDER", and the following business firm located in this geographic area, Columbia Distributing ID#197565 (from iMatchskills) hereinafter referred to as the 'EMPLOYER.'

The EMPLOYER is or will be receiving benefits from the following program or programs (check those that apply):

Rural Strategic Investment Zone: Specify  **yes** or  **no** - \_\_\_\_ if seeking an extended exemption period (up to five years)

Other: specify \_\_\_\_\_.

**I. GENERAL TERMS**

Under this First Source Agreement, the EMPLOYER will use the OED as its first source for referral of Qualified Applicants for all external job openings of the EMPLOYER at the following location(s) COMPANY ADDRESS such that the EMPLOYER agrees to the following:

To provide the EMPLOYER'S designated internal liaison, if they are not the APPROVED contract signer on this FSH Agreement, and who will serve as the single point of contact for communications with OED related to job openings. Employer will notify OED immediately of any change for this internal liaison.

**II. AS JOBS ARE OPENED, THE EMPLOYER AGREES TO:**

Effectively notify OED of all external job openings, no later than when notification is received by any other job referral source external to the EMPLOYER or any public announcement for the job opening, throughout the term of this agreement;

That each such notice to OED shall include job qualifications and a deadline for referrals;  
To ensure that the OED and the PROVIDERS will have:

Sufficient lead time (minimum lead time is 10 (CAN VARY DEPENDING ON TERMS) business days before the job application close date, (except in temporary or emergency situations); and complete information to make meaningful referrals for jobs that will be filled by the EMPLOYER;

That all job information may be shared with all PROVIDERS for which referrals are coordinated by the OED; and

That all job openings shall be listed in the PUBLIC LABOR EXCHANGE SYSTEM of the state Employment Department, insofar as a local office of that State agency is a PROVIDER.

For purposes of this Agreement long-term jobs will be defined as those positions 180 days or more in duration. Jobs lasting less than 180 days will be considered temporary and will not be subject to the terms of this Agreement.

Positions filled by internal transfers, promotions or recall of laid off employees on recall status will not be subject to the terms of this Agreement.

Give permission for OED to share the job posting and hire information with the **Clackamas County** Economic Development Program Representative. Other than the above permission, it is understood that OED will hold all information regarding the company and the job seekers in the strictest confidence.

### **III. UPON RECEIPT OF THE JOB OPENING NOTIFICATION, OED AGREES TO:**

That to the extent Qualified Applicants are available through OED and among the relevant PROVIDERS, to refer those individuals to the EMPLOYER for job openings; and

To facilitate and implement the listing of all job openings in the "PUBLIC LABOR EXCHANGE SYSTEM", in cooperation with other PROVIDERS (though, not necessarily to the exclusion of other referral methods).

To provide OED's designated internal liaison, if they are not the APPROVED contract signer on this FSH Agreement, and who will serve as the single point of contact for communications with the EMPLOYER'S related to job openings.

### **IV. UPON RECEIPT OF REFERRALS FROM WORKSOURCE, THE EMPLOYER AGREES TO:**

Fully consider for employment any Qualified Applicant referred by the OED by the referral deadline;

Notify OED with the name of the Qualified Applicant when a Qualified Applicant is hired by the EMPLOYER; and

Provide after-the-fact information to the OED about applicable overall hiring and job vacancies in a prescribed manner, or as requested by OED, in accordance with OAR 123-070-1900(1) to (3).

Comply with all relevant laws regarding employment of Qualified Applicants of this State or the Federal Government, including but not limited to not discriminating on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other reason prohibited by such laws.

The EMPLOYER will make all final decisions on hiring new employees. After the EMPLOYER has hired the employees, the EMPLOYER assumes full responsibility for them as employees.

All persons hired under this Agreement are subject to the EMPLOYER's regular personnel policies and procedures and have no special or additional rights arising from this Agreement.

If the terms of this Agreement conflict with the provisions of a collective bargaining agreement to which the EMPLOYER is a party, the bargaining agreement shall prevail.

Both OED and EMPLOYER agree to attempt to resolve all areas of misunderstanding, disagreement or dissatisfaction with each other as soon as they arise. If the parties are unable to resolve the issue, either may:

Initiate a meeting between the EMPLOYER and either OED, all of the PROVIDERS; or request assistance from the Oregon Economic and Community Development Department.

This agreement shall take effect on the date of the last signature by the contracting parties below, and shall be in full force and effect until DECEMBER 31 OF THE LAST YEAR OF THE EXEMPTION PERIOD (for Enterprise Zone Businesses) or, until the end of the term, period or periods as described in OAR 123-070-1600

### APPROVING PARTIES

#### WorkSource Oregon

Name: Tracy Calderon  
Title: Office Manager , Tualatin  
Address: 7995 SW Mohawk St.  
Tualatin, OR 97062  
Phone: 503.612.4240 FAX 503.612.4250  
Email: Tracy.K.Calderon@oregon.gov

Signature Tracy K Calderon  
Date 7-22-2019

#### OED INTERNAL LIAISON

Name: Michelle Higgins  
Title: Regional Business Specialist  
Address: 7995 SW Mohawk St.  
Tualatin, OR 97062  
Phone: 971.235.4914  
Email: michelle.d.higgins@oregon.gov

Signature Michelle Higgins  
Date 7/22/19

Federal Employer ID Number 26-2863088  
State Business ID Number: 01365449-5

Name: Paul Meade  
Title: CFO  
Address: 6840 N. Cutler Circle  
Portland, OR 97217  
Phone: 503-265-3099  
Email: paul.meade@coldist.com

Signature Paul Meade  
Date 7/26/19

#### EMPLOYER INTERNAL LIAISON

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Signature \_\_\_\_\_  
Date \_\_\_\_\_



## **CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE FIRST SOURCE CONTRACTING AGREEMENT**

This First Source Agreement for referral of qualified contractors is entered into between Clackamas County, hereinafter referred to as the “CONTACT AGENCY,” which coordinates contractor referrals, hereinafter referred to as “PROVIDERS,” and the following business firm located in this geographic area, hereinafter referred to as the “EMPLOYER.” (Insert name of SIZ project here).

The EMPLOYER is or will be receiving benefits from the Clackamas County Strategic Investment Zone program. Under this First Source Agreement, the EMPLOYER will use the CONTACT AGENCY as its first source for external referral of qualified contractors for all local construction, operations, training, and suppliers of the EMPLOYER:

Such that the EMPLOYER agrees to the following:

- To effectively notify the CONTACT AGENCY of all contracting opportunities with the company no later than when notification is received by any other referral source external to the EMPLOYER or any public announcement for the contracting opportunity, throughout the term of this agreement;
- That each such notice to the CONTACT AGENCY shall include contractor qualifications and a deadline for referrals;
- To ensure that the CONTACT AGENCY and the PROVIDERS will have sufficient lead time (minimum lead time is \_\_\_ business days) before the contractor bid closing date, except in temporary or emergency situations); and information to make meaningful referrals for contracting opportunities that will be filled by the EMPLOYER;
- That all contracting information may be shared with all PROVIDERS for which referrals are coordinated by the CONTACT AGENCY; and

The CONTACT AGENCY agrees to the following:

- That to the extent that Qualified contractors are available among the relevant PROVIDERS, to refer those firms to the EMPLOYER for contracting opportunities; and

The EMPLOYER agrees to:

- Fully consider for employment any Qualified contractor referred by the CONTACT AGENCY by the referral deadline;

- Notify the CONTACT AGENCY when a Qualified contractor is retained by the EMPLOYER; and
- Provide after-the-fact information to the CONTACT AGENCY about applicable overall contracting arrangements annually to include name of contractor, amount of contract, jobs created, and other economic indicators on request.

Comply with all relevant laws regarding contracting for goods and services of this State and the Federal government, including but not limited to not discriminating on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other reason prohibited by law.

The EMPLOYER will make all final decisions on contracting arrangements.

The CONTACT AGENCY, the EMPLOYER and the contractor agree to attempt to resolve all areas of misunderstanding, disagreement or dissatisfaction with each other as soon as they arise

This agreement shall take effect on the date of the last signature by the contracting parties below, and shall be in full force and effect until DECEMBER 31 of the last year of the fifteen year exemption period or early closure or relocation of the business.

**APPROVED**

CONTACT AGENCY

EMPLOYER

Name  
Title  
Address

Name  
Title  
Address

Phone

Phone

\_\_\_\_\_  
Signature and Date

\_\_\_\_\_  
Signature and Date